

FRANCHISE DISCLOSURE DOCUMENT

i4 FRANCHISE DEVELOPMENT INC.
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The franchisee will operate a permanent placement recruitment business, using the “i4 Search Group” trademark, that serves healthcare facilities and providers.

The total investment necessary to begin operation of an i4 Search Group ranges from \$66,800 to \$113,600. This includes \$52,500 to \$82,500 that must be paid to the franchisor.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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 accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise”, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC, 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: April 19, 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 F.
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 D 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 i4 Search Group 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 i4 Search Group franchisee?	Item 20 or Exhibit F 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 A.

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 Addenda. See the Table of Contents for the location of the State 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 us by mediation, arbitration, and litigation only in Ohio. Out-of-state mediation, arbitration, and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Ohio than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
5. **Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
6. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

i4 FRANCHISE DEVELOPMENT INC.
Franchise Disclosure Document

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means i4 Franchise Development Inc., the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of an i4 Search Group franchise as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a corporation in the State of Arizona on November 2, 2020. Our principal business address is 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069, and our telephone number is 513-860-0600. We do business under our company name, “i4 Search Group” and its associated designs (the “Marks”). Our affiliate, i4 Search Group LLC, has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not operate, and have never operated, a business of the type being franchised. We have not conducted business in any other line of business. We have not offered franchises in any other line of business. We only offer franchises which operate under the “i4 Search Group” Marks. We began offering franchises on January 28, 2021.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor company.

We have an affiliated company, i4 Search Group LLC, a Texas limited liability company, with a principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069. i4 Search Group LLC is the owner of our Marks and has exclusively licensed use of the Marks to us. i4 Search Group LLC has also operated a permanent placement recruitment business serving healthcare facilities and providers nationwide, in areas not operated by our franchisees, using the Marks since November 2019. i4 Search Group LLC has not offered franchises in this or in any other lines of business previously.

We may operate other concepts under the Marks, including additional recruiting and staffing businesses similar to the business offered by this Disclosure Document, in the future.

The Franchise Offered:

We offer franchises for the right to operate a permanent placement recruiting business under the Marks and using our distinctive operating procedures and standards in a designated area (the “Franchised Business”). The Franchised Business will provide recruiting services to healthcare facilities (each a “Facility”) for the permanent placement of professionals in one of three specialty lines (each a “Specialty Line”): (1) Nursing, Advance Practice & Administration/Leadership which includes all nurse positions (e.g. Director of Nursing, Registered Nurse, Nurse Manager, Licensed Practical Nurse, etc.), all advanced practice professional positions (e.g. Physician Assistant, Nurse Practitioner, Nurse Midwife, etc.), and administration and leadership positions (both non-clinical positions that do not require nursing or advanced practice degrees like CEO, COO, Controller, Director of Human Resources and those that do); (2) Allied Health Professionals (e.g.

Certified Medical Assistant, Dietitian, EMT/Paramedic, all Tech and Therapy positions like Pharmacy Tech or Respiratory Therapist, etc.); or (3) Provider Division (e.g. Chiropractor, Pharmacist, Physician, etc.). A more extensive list of positions for each Specialty Line is attached to the Franchise Agreement as Attachment 10. You will also seek and assist healthcare professionals for permanent placement (each a “Candidate”). If a role for which you would like to recruit is not clearly defined or is not specifically listed in Attachment 10 of the Franchise Agreement, we reserve the right to specify to which Specialty Line it belongs, in our sole discretion. You may only place Candidates in Facilities within your designated Specialty Line. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the “System”).

Market and Competition:

The primary market for the services offered by your Franchised Business includes hospitals, nursing homes, hospices, medical clinics, diagnostic facilities and similar medical facilities. The market for our services is not seasonal but does have peak periods. The market may also be affected by economic conditions and the amount of activity in your designated territory.

The medical staffing industry is fragmented, but growing, with many local and regional providers and vendor managers throughout the country providing medical professionals and other staffing solutions to hospitals and other healthcare providers. You will compete with other businesses offering health care permanent placement recruiting services and placement of health care professionals. These include national, regional and local companies, offering services similar to those offered by your Franchised Business. There are other recruiting and staffing franchises, as well as independent businesses and individual providers that may offer similar services and products.

Industry Specific Regulations:

Some states may have other licensing, certification or registration requirements applicable to some or all of the services you will be providing through your Franchised Business. You may be required to pay a fee to the state agency or association responsible for enforcing these requirements. Some states may require a minimum level of education or related work experience to obtain licenses.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing an i4 Search Group franchise.

ITEM 2: BUSINESS EXPERIENCE

Director - Robert Dallaire

Robert Dallaire is our co-founder and director, a position he has held since the corporation’s inception. Since 2005, Robert has been the President of Dallaire Enterprises Inc., located in

Grosse Pointe, Michigan. He is also the president of our affiliate, i4 Search Group LLC. From 2005 to 2020, Robert was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served six territories in Southern California and New Mexico. Additionally, from 2015 to 2019, Robert was a franchisee of Apex Leadership Company, a leadership development and fundraising company for elementary schools, middle schools, and sports teams, and served Riverside and San Bernardino Counties in California.

President - Scott Butts

Scott Butts is our co-founder and President, a position he has held since the corporation’s inception. Since 2005, Scott has been the President of SDB Consulting Inc., located in Liberty Township, Ohio. He is also a managing member of our affiliate, i4 Search Group LLC. From 2005 to 2020, Scott was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served nine territories in Arizona, Kansas, Kentucky, Minnesota, Missouri, and Ohio.

Director - Robert Gates

Robert Gates is our co-founder and Director, a position he has held since the corporation’s inception. Since 2008, Robert has been the Managing Member of Gates Search Group LLC, located in Chandler, Arizona. He is also a managing member of our affiliate, i4 Search Group LLC. From 2013 to 2020, Robert was a multi-territory franchisee of Gecko Hospitality, a Hospitality Management recruiting company, and served six territories in Illinois, Michigan and Southern Texas.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is between \$50,000 and \$80,000, depending on the population of the territory you purchase. As of the issuance date of this Disclosure Document, we have predetermined each available territory and its corresponding Initial Franchise Fee, which has been calculated as follows:

Approximate Territory Population	Initial Fee
Tier 1: 3.5 million – < 6 million	\$50,000
Tier 2: 6 million – < 8 million	\$60,000
Tier 3: 8 million or greater	\$80,000

The Initial Franchise Fee is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We have the right to offer, modify or withdraw any incentive program without notice to you.

Currently we offer an incentive whereby we will provide a 25% discount on the Initial Franchise Fee for a second and third territory if you purchase the additional territory at the same time you purchase your first territory. We also offer a 10% discount on the Initial Franchise Fee to first responders and military veterans honorably discharged.

We will also permit you to reserve an additional territory for up to 12 months without signing a Franchise Agreement. You will be required to sign our Deposit Agreement in the form attached as Exhibit C and pay us a non-refundable Reservation Fee of \$10,000. Within 12 months, you must sign a Franchise Agreement for the reserved territory and pay the balance of the Initial Franchise Fee to us.

Lead Optimization Program

Within 30 days of the opening of your Franchised Business, you must pay \$2,500 to us for your required participation in our lead optimization program. This program is designed to help you connect and book meetings with potential clients and Facilities in your territory so you can build and manage profitable relationships with key contacts.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	14% of Gross Revenue	Every other Friday (or next business day if any Friday falls on a holiday)	We will collect Gross Revenue, deduct the Royalty Fee and other fees payable to us, and distribute the balance to you. See footnote 1.
Minimum Royalty Deficit	Difference between actual Royalty Fees paid and a monthly minimum of \$2,500 per one million in population in your territory	March 1 of each calendar year	We will determine whether you met minimum performance standards annually and collect any difference. See footnote 1.
Required Minimum Expenditure for Local Marketing and Advertising	\$250	Monthly	We require you to conduct on-going marketing activities to acquire new Facility business and retain existing business.
Brand Fund Contribution	3% of Gross Revenue, subject to increase not to exceed 4%.	Every other Friday (or next business day if any Friday falls on a holiday)	We will collect Gross Revenue, deduct the Brand Fund Contribution and other fees payable to us, and distribute the balance to you. See footnote 1.

Type of Fee	Amount	Due Date	Remarks
Technology & Administrative Fee	Currently \$627, subject to annual increase, for your first Territory \$115, subject to annual increase, for each additional Territory you purchase	Monthly	The Technology & Administrative Fee is due on the 25 th day of each calendar month. See footnote 2.
Late Fee	\$150 per week	As incurred	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you a late fee.
Interest Charge	1.5% per month from due date or maximum allowed by law, whichever is lower	As incurred	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you interest.
Non-sufficient Funds Fee	\$100 per occurrence	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	15% of the then-current initial franchise fee for a territory in the same tier	Before signing successor agreement	Payable to us. See Item 17.
Transfer Fee	\$10,000; \$7,500 for transfer to an existing franchisee in good standing \$1,500 for transfers to an entity (for convenience) or among owners or to add an owner to an entity where management control of	Upon your request for approval of the transfer	Payable to us. See Item 17

Type of Fee	Amount	Due Date	Remarks
	franchisee entity does not change \$3,500 to a spouse, parent or child upon death or permanent disability of franchisee		
Interim Management Fee	50% of Gross Revenue earned during the term of interim management, plus all travel related and other expenses.	As incurred	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability.
Initial Training	No charge for initial training of up to two people. The fee for additional trainees, who attend the same training session as you, or replacement trainees, is \$2,000 per person. You pay all travel and other related expenses incurred by all trainees.	As incurred. Fees for replacement trainees or additional trainees are due prior to the commencement of training.	Initial training takes place in Cincinnati, OH. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs. Incidental costs are payable to third-party suppliers. Fees for additional trainees are payable to us.
Additional Training	A reasonable fee for each training session, which will not exceed \$500 per day for tuition, plus expenses Annual Meeting Fee currently = \$250	As incurred Annually in January	See footnote 3.

Type of Fee	Amount	Due Date	Remarks
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is \$250 per day, plus travel and other expenses.	As incurred	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred	We have the right under the Franchise Agreement to examine your books, records and tax reports and filings. If an examination reveals that you have understated any Gross Revenue, you must reimburse us the cost of the examination, in addition to paying monies owed, including interest.
Evaluation Fee	\$500	As incurred	Payable to us. See footnote 4.
Indemnification	Amount of loss or damages plus costs	As incurred	See footnote 5.
Damages, Costs and Expenses for Non-compliance	Actual damages, costs and expenses	As incurred	See footnote 6.
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a 10% administrative fee and other actual expenses	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Taxes	Amount of taxes	When incurred	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales, excise, use, privilege or income taxes imposed by any authority.
Liquidated Damages	The amount equal to the average weekly royalty fees and brand fund contribution you paid or owed to us during the 12 months of operation preceding the effective date of termination by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the term of the Franchise Agreement had it not been terminated, whichever is less.	Upon termination	Payable to us

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

¹ “Gross Revenue” means (a) all revenue received or receivable from Facilities for placement of Candidates (“Facility Payments”) and (b) any other revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are sales taxes and other taxes separately stated that are payable to taxing authorities on account of the operation of the Franchised

Business. Facility payments are made through a centralized payment processing system maintained by us. We will deduct the Royalty Fee, Brand Fund Contribution, and other fees payable to us, sales tax (if applicable) and ACH fees charged by a Facility (if applicable) and distribute the balance to you. You will pay us the Royalty Fee and Brand Fund Contribution separately on Gross Revenue you receive directly and not paid through our central payment processing system. If you do not meet your minimum monthly royalty fee requirement as stated in your Franchise Agreement, we have the right to terminate your Franchise Agreement or you may lose the limited protected rights you have for your Specialty Line in your Territory.

² The Technology & Administrative Fee covers the costs of new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, one subscription to our required applicant tracking software, benchmarking platform or other operations or communications systems, software and applications that we pay on your behalf, and an administrative fee for our handling of technology systems and subscriptions, and for our administrative support and handling of administrative functions related to billing. We will increase the Technology & Administrative Fee when a third-party vendor whom we pay on your behalf requires it, and there is no limit on the amount this fee may be increased.

³ We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at an annual national meeting or annual convention, for up to five days per year, at a location we designate. We have the right to impose a reasonable fee, which may be assessed per diem, for all additional training programs. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with attendance at additional training programs, including, without limitation, costs of travel, lodging, meals and wages. Currently, we require attendance at an annual national meeting. The \$250 meeting charge will be billed to you in January each year.

⁴ If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service.

⁵ You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

⁶ If you breach the Franchise Agreement, you must reimburse us any costs we incur to cure your default. You must also pay us all damages, costs and expenses, including reasonable attorneys' fees and our committed payments of your behalf, we incur in obtaining any remedy, injunctive or other relief to enforce the provisions of the Franchise Agreement or resulting from a termination of the Franchise Agreement.

ITEM 7: ESTIMATED INITIAL INVESTMENT**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$50,000 - \$80,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement	Us
Your Training Expenses ²	\$1,500 - \$2,500	As required	As required	Suppliers of transportation lodging & meals.
Office Furniture, Fixtures, Equipment and Supplies ⁴	\$500 - \$2,000	As required	Before opening	Suppliers
Licenses and Permits ⁵	\$100 - \$300	As required	Before opening or as required	Government Agencies
Computer Systems ⁶	\$1,000 - \$2,000	As required	Before opening	Suppliers
Professional Fees ⁷	\$1,000 - \$5,000	As required	As incurred	Attorney, Accountant, Other Professional Service Providers
Insurance ⁸	\$200 - \$3,500	As required	Before opening	Insurer
Business Development and Implementation Program Fee ⁹	\$4,000	As required	As arranged	Supplier
Lead Optimization Program ⁹	\$2,500	As required	Within 30 days of opening	Us
Rent – three months ³	\$0 - \$1,800	As arranged	As arranged	Supplier
Operating Expenses / Additional Funds – three months ¹⁰	\$6,000 - \$10,000	As incurred	As arranged	Suppliers, etc.
TOTALS \$66,800 - \$113,600				

¹ Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

² The cost of the Initial Management Training Program for two people is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging and meals for your trainee(s). These incidental costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. The duration of the training program in Cincinnati, Ohio, is one week. This estimate does not include the trainee(s) wages.

³ It is our expectation that you will operate your Franchised Business from a home-based office, and all of your business will be conducted over the phone or via email. The System does not require you to meet Candidates or Facilities representatives in person, and because you will operate from a home-based office, you may not meet Candidates or Facilities representatives at your home. We have included an estimate for rental of a desk in a wework-type or shared office space should you be unable or not permitted to operate from a home-based office.

⁴ You will require basic office furniture, equipment and supplies for your home office. We will provide you with a subscription to a virtual phone number. The current cost for any additional phone number or extension you may request is \$25 each.

⁵ You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the initial cost of licenses, certifications and/or permits that may be required by you to provide services offered by your Franchised Business. The costs of permits and licenses will vary by location.

⁶ We require you to purchase computer systems, software and applications that meet our minimum specifications for use in your Franchised Business. This estimate includes the cost of a general-purpose computer and the Microsoft Office suite of programs. You must also have internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and Facility and Candidate information. We have the right to change your requirements for computer hardware and software at any time.

⁷ You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Business.

⁸ Our insurance policy will provide errors and omissions insurance coverage to you, at your option and expense. If you choose to purchase and maintain your own errors and omissions insurance, your policy must be in place before you open for business. The estimate in the table above is for the cost of deposit for one year of minimum coverage under an errors and omissions policy you purchase on your own.

⁹ You are required to sign up with a third-party supplier to assist you with business development and implementation for your first 120 days of operations, and you are required to participate in our lead optimization program after you sign the Franchise Agreement. These programs are designed to guide you and help you connect and book meetings with potential clients and Facilities in your territory so you can build and manage profitable relationships with key contacts.

¹⁰ This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three months after commencing operations. This

estimate includes such items as taxes, bank charges, miscellaneous supplies and equipment, additional marketing costs and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service.

We relied upon the experience of our operating affiliate to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period.

We do not offer direct or indirect financing. We do not guarantee any note, lease, or obligation on your behalf.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, supplies and services, from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

Neither we nor any of our affiliates are approved suppliers of required goods or services. None of our officers owns an interest in any supplier.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 60 days after we receive all required information to evaluate the product or service. We have the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee of \$500, plus the actual cost of evaluation, inspection and/or testing.

During our fiscal year that ended December 31, 2022, we did not receive any revenue from franchisee required leases or purchases. We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

You are required to sign up with a third-party supplier to assist you with business development and implementation for your first 120 days of operations. We may recommend suppliers to you, but you are not required to use any supplier that we recommend. We will negotiate discounted rates for our franchisees for the business development and implementation services through our recommended suppliers when we are able. None of our officers own an interest in any recommended supplier for this program, and neither we nor our affiliates earn any revenue from your purchases under this program.

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 9% of your costs to establish your Franchised Business and approximately 51% of your costs for ongoing operation.

Our insurance policy will provide errors and omissions insurance coverage to you, at your option and expense. If you choose to purchase and maintain your own errors and omissions insurance, your policy must be in place before your open for business and must provide coverage of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate. We recommend, but do not require, you to purchase and maintain at your sole cost and expense the following insurance coverages: comprehensive general liability insurance in the amount of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate; cyber coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate; business interruption insurance in an amount necessary to satisfy your obligations under your franchise agreement for at least three months or \$100,000, whichever is greater; statutory worker's compensation insurance in the limits required by state law; employer's liability insurance in the amount of \$1,000,000; and employment practices/abuse and employee dishonesty insurance in the amount of \$1,000,000. For any insurance policies you purchase, each policy must be written by a responsible carrier or carriers acceptable to us, with an A.M. Best rating of no less than A-VII, and must name us and our respective officers, directors, partners, agents and employees as additional insured parties. If you maintain an insurance policy for a coverage to which we have made a change, you must comply with the policy change within 30 days of our notice to you.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we have the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2	11
f. Fees	3.2, 5.2.6, Article 6, 7.4, 7.5, 12.3.7, 12.5, 12.5,13.2, 13.3.1,15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	9.3, 12.5	8, 16
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	3.1, 3.2, Attachment 3	12
l. Ongoing Product/Service Purchases	9.3	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7	11
n. Insurance	Article 15	7
o. Advertising	12.1.7, 12.1.8, Article 13	6, 11
p. Indemnification	15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.4, 12.1.3	11, 15
r. Records/Reports	12.2	6
s. Inspections and Audits	12.1.6, 12.2.5, 12.6	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty	11.3, Attachment 6	15

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee any note, lease, or obligation on your behalf.

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. designate the boundaries of your territory (Franchise Agreement, Section 10.1).
- b. determine your Minimum Performance Standards (Franchise Agreement, Section 3.2 and Attachment 3).
- c. provide the franchise Operations Manual and other manuals and training aids we designate for use in the operation of your Franchised Business, as they may be revised from time to time (Franchise Agreement, Section 10.2).
- d. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. We do not provide, purchase, deliver, or install any of these items for you (Franchise Agreement, Section 10.3).
- e. provide you with initial training at our headquarters and/or field office. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1 and 7.2).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is 60 days. Before you may open, you must (a) complete our Initial Management Training Program, (b) outfit a home-based office (c) obtain all required licenses to operate the Franchised Business, (d) obtain all equipment we require, including but not limited to, computer systems, software and applications according to our standards, and (e) provide us with documentation for bank account(s) for use in the Franchised Business. Factors that may affect this time period include your ability to acquire licenses and permits, to acquire financing for any portion of the initial investment and to complete the required training. If you have not opened your Franchised Business within 60 days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original timeframe, or any extension of that timeframe, is a default of the Franchise Agreement. (Franchise Agreement, Section 8.2). We do not provide assistance in hiring or training any employees you may hire for your Franchised Business.

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We have the right to impose a reasonable

fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).

b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.4).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conferencing, or electronic mail, subject at all times to availability of our personnel and within reasonable limits (Franchise Agreement, Section 7.5).

d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.6).

e. maintain the i4 Search Group website (Franchise Agreement, Section 12.3.6).

f. provide criteria for an organization to be eligible as a Facility for provision of permanent placement recruiting services through the System. You must submit to us all information and forms we require to approve a Facility. We will execute a contract directly with the Facility on terms you have negotiated and we have approved (Franchise Agreement, Section 10.4).

g. notify you of all existing Facility contracts in your Territory and authorize you to render service to these Facilities (Franchise Agreement, Section 10.5).

h. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.3).

i. disburse to you Gross Revenue paid by Facilities through our online accounts and centralized payment processing systems, less amounts owed to us and taxes. (Franchise Agreement, Section 6.1.4).

j. approve your office location if you choose to relocate to commercial premises. Our expectation is that you will operate the Franchised Business out of your home for at least the first year of operations, but if you wish to move to a commercial location, you can do so with our approval, in our sole discretion. We will not unreasonably withhold our approval. The office location must be in the Territory, and before signing a lease or other binding agreement for the office location, you must submit to us, in writing, a description of the proposed office location, and any other information or materials we may require. We will have ten business days after receiving your written information and materials to provide our consent to the proposed office location. You must continue operating out of your home office until we approve a commercial office location, and if we cannot agree on an office location, you will continue operating out of your home office. You will be solely responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual. We consider the general location, neighborhood and

demographic characteristics of the area when approving a site for your office. We generally do not own the premises and lease it to you. (Franchise Agreement, Section 8.1.2)

4. Advertising

Local Advertising (Franchise Agreement, Sections 13.2 and 13.5)

You are required to spend a minimum of \$250 each month for advertising within the designated territory, and you must conduct networking and other marketing activities to solicit new Facilities and to maintain existing Facilities for permanent placement recruitment services. Upon our request, you must furnish us with a quarterly report of your marketing activities during the previous calendar quarter.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed “disapproved”.

You must list the Franchised Business in local business directories, including, but not limited to, listings on internet search engines. You may not maintain any business profile on Facebook, Twitter, LinkedIn, Instagram, YouTube, TikTok, Pinterest or any other social media and/or networking site without our prior written approval.

You have no obligation to participate in a local or regional advertising cooperative. We are not required to spend any amount on advertising in your area or territory.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute 3% of Gross Revenue every other Friday to our systemwide brand fund (the “Fund”). We have the right to increase your Fund contribution to any amount not to exceed 4% of your Gross Revenue every other Friday. Each i4 Search Group outlet operated by our affiliates or us may, but is not obligated to, contribute to the Fund on the same basis as System franchisees.

The Fund is administered by our accounting and marketing personnel. We may use Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Fund contributions to pay our costs (including salaries of our personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Fund.

The Fund will not be used to defray any of our other general operating expenses. Fund contributions will not be used to solicit new franchise sales; provided however, we have the right to include “Franchises Available” or similar language and contact information in advertising produced with Fund contributions. The Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property will be deemed our property.

The Fund collects and expends the Fund contributions for the benefit of the System as a whole. We have the right to use the Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the territory where your Franchised Business is located.

We have no obligation to make expenditures that are equivalent or proportionate to your Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Fund.

The Fund is not audited. An annual unaudited financial statement of the Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

In the calendar year ended December 31, 2022, 18.94% of Fund contributions went to website and SEO management, 25.19% went to software development, 18.45% went to promotional efforts, 16.05% went to job boards expenses, 1.3% went to administrative and banking fees, and the remaining 20% remained in the Fund for future use. Although the Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Fund, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Advertising Council (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and profitability. We have the right to change or dissolve the council at any time.

5. Computer Systems (Franchise Agreement, Section 12.3)

You are required to have an internet-capable laptop or desk-top computer that can operate the latest versions of software and applications we require, which currently include: Loxo for Candidate tracking, SkillSurvey for automated reference checking, and subscriptions with various platforms for Candidate sourcing, including Zip Recruiter, Indeed, LinkedIn, Monster, and CareerBuilder.

You are required to use Microsoft Office suite of programs for administrative tasks and email and QuickBooks for bookkeeping, report generation and billing. We strongly recommend you purchase a PC, rather than an Apple®, so you are able to take advantage of the extra support for the Microsoft Office programs that Microsoft provides to PC users. We also recommend that you have a second computer monitor, a laser printer, and a telephone headset.

You must purchase the required computer hardware and software, at your expense.

The cost of purchasing the required hardware and software is \$1,000 to \$2,000. The monthly Technology & Administrative Fee that you pay to us will include one subscription to required services of Loxo, SkillSurvey, Indeed Resumes, Zip Recruiter Resumes and LinkedIn Sales Navigator. Other monthly subscription and access fees are approximately \$350 per month, subject to increase by the providers. An additional subscription to Loxo for any staff you may hire in the future, if you require it, is approximately \$145 per month, subject to increase by the provider.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We estimate the cost of maintaining, updating and upgrading your computer hardware and software will be approximately \$100 per year.

We have remote and independent access to all information generated by and stored by you, including your revenue information and Facility and Candidate data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all data stored in your computer system.

6. Table of Contents of Operations Manual

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 150 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our two-week Initial Management Training Program, to our satisfaction, before opening your Franchised Business. The one-week classroom portion of the Initial Management Training Program will be conducted remotely at your home office. The one week “On the Job” portion of the Initial Management Training Program will take place in Cincinnati, Ohio.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON-THE-JOB TRAINING	LOCATION
Use of the Manual	5	6	Remotely and Cincinnati, Ohio
Tour of the Location	0	1	Remotely and Cincinnati, Ohio

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON-THE-JOB TRAINING	LOCATION
Personnel Issues	0	1	Remotely and Cincinnati, Ohio
Advertising	0	3	Remotely and Cincinnati, Ohio
Management Procedures	5	1	Remotely and Cincinnati, Ohio
Franchise Reporting Requirements	0	1	Remotely and Cincinnati, Ohio
Accounting/record keeping	0	1	Remotely and Cincinnati, Ohio
Current Clients	0	6	Remotely and Cincinnati, Ohio
Applicant Tracking System (ATS)	8	6	Remotely and Cincinnati, Ohio
Sourcing	0 - 4	4 - 8	Remotely and Cincinnati, Ohio
Business Development	8	4	Remotely and Cincinnati, Ohio
Social Media	5	1	Remotely and Cincinnati, Ohio
Market Research	5 - 8	0	Remotely and Cincinnati, Ohio
Initial Tech & Software Setup	0 - 5	0	Remotely and Cincinnati, Ohio
Forms-Systems	0	1	Remotely and Cincinnati, Ohio
TOTAL	36 - 48	36 - 40	

We periodically conduct our Initial Management Training Program throughout the year, as needed.

Our training program is led by Scott Butts and Bob Gates. Scott Butts is our co-founder and President. He is also a managing member of our affiliate, which has operated an i4 Search Group business since November 2019. Scott has over 15 years of experience in the staffing recruitment industry. Scott provides instruction on technology, recruiting process, marketing and advertising, client review, and accounts management. Bob Gates is our co-founder and Director. He is also a managing member of our affiliate, which has operated an i4 Search Group business since November 2019, and has managed the Dental and Career Services division since January 2021. Bob has over seven years of experience in the staffing recruitment industry. Bob provides instruction on new client development and Candidate sourcing and evaluation.

Our training materials consist of the Operations Manual, as well as vendor specific tutorials and webinars. You will receive both classroom instruction, including software demonstrations, and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

The cost of our instructors and training materials for up to two people is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation, meals and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is \$2,000 per person.

If you do not complete our Initial Management Training Program to our satisfaction, we have the right to terminate the Franchise Agreement.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to five days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We have the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference, which will not exceed \$500 per person per day. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one Franchised Business within a limited protected territory (the "Territory"). Your Territory is located in one or more counties or states and will be identified by name, jurisdiction boundaries, geographic demarcation lines or a marked map. The Territory is predetermined based on population. Your Territory will be defined and attached to your Franchise Agreement as Attachment 2.

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. You will receive the limited protected right in the Territory to operate your Franchised Business and solicit Facilities for only the Specialty Line you select. We may license to others the right to operate businesses using the Marks for a different Specialty Line in your Territory, but due to the specialized nature of the professions included in the different Specialty Lines, you and another franchisee operating in the same Territory in different Specialty Lines will not be recruiting the same candidates.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another business using the Marks for permanent placement recruitment for the same Specialty Line you operate or grant the right to anyone else to open a business using the Marks for permanent placement recruitment for the same Specialty Line you operate within the Territory. Even though we grant you this limited protection, we retain all rights to sell in the Territory, either directly or through others, (a) other products and services not offered under the Marks, (b) other recruiting or staffing concepts or products under the Marks, including other Specialty Lines, Travel, Staffing and Temporary recruitment services, and (c) through alternative distribution channels, as discussed below. We further retain the right to solicit, sell to, negotiate rates with, and service healthcare facilities operators that conduct business across multiple areas or have multiple Facilities either regionally or nationally ("Commercial Accounts"). We may offer you the right to service Commercial Accounts in your Territory, provided that you accept negotiated terms and meet our service specifications; otherwise, we may service

the Commercial Accounts either directly or permit another franchisee to provide such service. You will receive no compensation for our sales through unoffered or declined Commercial Accounts in your Territory.

You are subject to a minimum monthly Royalty Fee which is equal to \$2,500 per one million of population in your Territory. Your minimum monthly Royalty Fee requirement is set forth in Attachment 3 of the Franchise Agreement. On March 1 of each calendar year, we will determine if you have met your minimum Royalty Fee requirement for the prior year and, if not, we may collect the difference between royalties paid and the minimum required. If you do not meet the minimum royalty threshold required under the Franchise Agreement, it is deemed a material default and we have the right to terminate your Franchise Agreement, or we will revoke your limited protected right for your Specialty Line in your Territory. In addition to the monthly minimum Royalty Fee, you are required to submit a minimum of 10 candidates each month to Facilities. There is no other market penetration or other contingency that will affect your right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. You may reserve purchase of an additional territory by paying us a non-refundable \$10,000 reservation fee and signing our Deposit Agreement (Exhibit C of this FDD). We may, but have no obligation to, consider granting to you the right to establish additional Franchised Businesses under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Franchised Business in an area and at a location we approve.

The Franchise Agreement entitles you to operate from a home-based office. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.

We retain all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate a business using the Marks outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert an acquired business in your Territory to a franchise using our primary trademarks during the term of your Franchise Agreement.


We have the rights to offer (a) other services and products not offered under the Marks, (b) other recruiting or staffing concepts or products under the Marks or other trademarks, including other Specialty Lines, Travel, Staffing and Temporary recruitment services and (c) products or services through other channels of distribution in the Territory including, but not limited to, products or services offered through the internet, telemarketing or direct marketing (“Alternate Channels of Distribution”). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory. You may not use Alternative Distribution Channels to make sales inside

or outside your Territory; however, in our discretion, we will include your employment listings on our website. You may only solicit Facilities and Candidates located in your Territory.

Your local advertising must target Facilities in your Territory, although the reach of your local advertising may extend beyond your Territory. There is no restriction on where you may search for Candidates; however, if a Candidate that you place had resided in a territory operated by another of our franchisees in the same Specialty Line at the time you presented the Candidate to the Facility, you are required to pay 50% of your Gross Revenue from the placement to that franchisee. You may refer Candidates residing in your Territory to other franchisees of ours in the same Specialty Line and receive 50% of the Gross Revenue received by such other franchisees for their placement of these Candidates. Likewise, if you refer a Candidate that resides in your Territory to a second franchisee for placement in a Facility in that franchisee's territory, but the Candidate is ultimately placed in the Facility's location in a third franchisee's territory, you are required to split the Gross Revenue from the placement in thirds, with the second franchisee, the third franchisee, and you each receiving an equal share.

ITEM 13: TRADEMARKS

i4 Search Group LLC ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of i4 Search Group outlets in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Marks, as described below.

Mark	Registration Number	Registration Date	Register
	6,582,416	12/7/2021	Principal

Licensor intends to file all affidavits and other documents required to maintain its interest in and to the Marks and to file all registration renewals for the Marks as they come due.

You must notify us immediately when you learn about an infringement of or challenge to your use of the above Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the above Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Marks licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We have the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Marks above, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any

state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the above Marks or other Marks in a manner material to the franchise.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. The term of our license agreement is for five years, commencing January 1, 2021, and will automatically renew every five years. The license agreement will terminate only upon (a) our bankruptcy or (b) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Marks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, contracts, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

If you develop any new concept, process, product, service, or improvement ("Improvement") in the operation or promotion of the Franchised Business, you are required to promptly notify us and provide us with all requested information related to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, pricing structures, vendor partnerships and/or relationships, sales and technical information, costs, software tools and applications, website and/or email design, products, services, equipment, technologies and

procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the initial term, any successor term, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality and Non-Compete Agreement (Franchise Agreement, Attachment 8).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you personally supervise, devote full time, and manage the day-to-day operation of your Franchised Business. You are required to form an entity to own the Franchised Business, and your entity must elect to be taxed as a corporation - either as a C corporation, an S corporation or as an LLC that elects S corporation treatment

You may not appoint a non-owner manager of your Franchised Business, unless you receive our prior written approval. Upon approval, your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. Your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Confidentiality and Non-Compete Agreement, which is attached to our Franchise Agreement as Attachment 8. All owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 6.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You must offer all products and services that we have authorized. Subject to applicable state law, we maintain a standard pricing structure for products and services offered as part of the System, and we reserve the right to set minimum prices for those products and services.

For each Facility for which you would like to provide permanent placement recruiting services through the System, you must submit the information and forms we require so we may provide

our approval of the Facility.

You may not use our Marks or System for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that provides permanent placement recruitment services, regardless of industry or whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

Your local advertising must target Facilities in your Territory, although the reach of your local advertising may extend beyond your Territory. There is no restriction on where you may search for Candidates; however, if a Candidate that you place had resided in a territory operated by another of our franchisees in the same Specialty Line at the time you presented the Candidate to the Facility, you are required to pay 50% of your Gross Revenue from the placement to that franchisee. You may refer Candidates residing in your Territory to other franchisees of ours in the same Specialty Line and receive 50% of the Gross Revenue received by such other franchisees for their placement of these Candidates. Likewise, if you refer a Candidate that resides in your Territory to a second franchisee for placement in a Facility in that franchisee's territory, but the Candidate is ultimately placed in the Facility's location in a third franchisee's territory, you are required to split the Gross Revenue from the placement in thirds, with the second franchisee, the third franchisee, and you each receiving an equal share.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Article 4	Term is eight years
b.	Renewal or extension of the Term	Article 5	If you are in good standing as defined below, you may sign successor franchise agreements for up to two additional terms of five years each, unless we have determined, in our sole discretion, to withdraw from your Territory.
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Be in full compliance, have no more than three events of default during current term, provide written notice to us at least six months before the end of the term, execute a new franchise agreement, pay us a successor agreement fee of 15% of the then-current initial franchise fee being offered for a territory in the same tier, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute

	Provision	Section in Franchise Agreement	Summary
			a general release, comply with then-current qualifications and training requirements, including completion of additional training, subject to state law. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	None	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	“Cause” defined – curable defaults	Section 17.3	You have five days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h.	“Cause” defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or

	Provision	Section in Franchise Agreement	Summary
			reputation of the Marks or the System; conceal revenues or maintain false books; fail to input all required Facility, Candidate and tracking data into our computer systems, falsify such data, or otherwise attempt to circumvent our computer systems; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three or more times during the term or receive two or more default notices in any 12-month period; have insufficient funds to honor a check or EFT two or more times within any 12-month period; receives three or more Facility complaints within any consecutive 12-month period (a "Complaint" being any issue that rises to the point where the Facility contract is in danger of being canceled or not renewed); commits a default of any Facility contract on two or more occasions within a 12-month period; defaults under any other agreement with us, our affiliate or a supplier; fails to meet Minimum Performance Standards; or terminates the Franchise Agreement without cause.
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as an i4 Search Group franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing, including amounts we have committed to pay on your behalf; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.

	Provision	Section in Franchise Agreement	Summary
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for misrepresentations in the transfer process (excluding our representations in the FDD); our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to \$10,000, or \$7,500 for transfer to an existing franchisee in good standing, or \$1,500 for transfers to an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, or \$3,500 for a transfer to a spouse, parent or child upon death or permanent disability, subject to state law.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers or referral sources of any i4 Search Group outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any permanent placement recruitment business, regardless of industry; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers or referral sources of any i4 Search Group business (including yours) to any competitor; participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 50 miles of your former Territory or any other i4 Search Group office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation and arbitration in the state where our headquarters is located, subject to state law.
v.	Choice of forum	Section 20.3	Litigation takes place in Ohio, subject to applicable state law.
w.	Choice of law	Section 20.3	Ohio law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following tables represent the historical performance achieved by our seven franchised outlets that were open and operating for the full 2022 calendar year. We have excluded the performance of the 16 outlets that opened during 2022 and would not present a full year of performance. We have also excluded the performance for the one franchised outlet we reacquired in 2022.

These outlets have earned these amounts. Your individual results may differ. There is no assurance you’ll earn as much.

NM Nursing - 2022 P&L

Revenue	Total Gross Billed Sales*	\$150,060.79
Expenses	Contract / W2 Recruiter Expense	\$37,800.00
	Royalty 14%	\$21,008.51
	Brand Fund 3%	\$4,501.82
	Technology Fee & Advertising Costs	\$11,331.89
Total Expenses		\$74,642.22
Gross Profit		\$75,418.57
Gross Profit Percentage		50.26%

TX6 Nursing - 2022 P&L

Revenue	Total Gross Billed Sales*	\$152,302.13
Expenses	Contract / W2 Recruiter Expense	\$20,891.92
	Royalty 14%	\$21,322.30
	Brand Fund 3%	\$4,569.06
	Technology Fee & Advertising Costs	\$8,444.07
Total Expenses		\$55,227.35
Gross Profit		\$97,074.78
Gross Profit Percentage		63.74%

TN Nursing - 2022 P&L

Revenue	Total Gross Billed Sales*	\$551,146.47
Expenses	Contract / W2 Recruiter Expense	\$69,429.30
	Royalty 14%	\$77,160.51
	Brand Fund 3%	\$16,534.39
	Technology Fee & Advertising Costs	\$19,620.79
Total Expenses		\$182,744.99
Gross Profit		\$368,401.48
Gross Profit Percentage		66.84%

TX2 & TX5 Nursing - 2022 P&L

Revenue	Total Gross Billed Sales*	\$583,315.16
Expenses	Contract / W2 Recruiter Expense	\$183,473.00
	Royalty 14%	\$81,664.12
	Brand Fund 3%	\$17,499.45
	Technology Fee & Advertising Costs	\$17,060.12
Total Expenses		\$299,696.70
Gross Profit		\$283,618.46
Gross Profit Percentage		48.62%

FL2 & TX4 Nursing - 2022 P&L

Revenue	Total Gross Billed Sales*	\$816,058.82
Expenses	Contract / W2 Recruiter Expense	\$15,025.32
	Royalty 14%	\$114,248.23
	Brand Fund 3%	\$24,481.76
	Technology Fee & Advertising Costs	\$36,092.81
Total Expenses		\$189,848.13
Gross Profit		\$626,210.69
Gross Profit Percentage		76.74%

*Gross Billed Sales is all billed placements and any other revenues and income from any source derived or received by franchisees in the operation of the franchised outlets.

Written substantiation of the data used to prepare this financial performance representation will be made available to you upon reasonable request. The information above has not been audited.

Other than the preceding financial performance representation, i4 Franchise Development Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Robert Dallaire at i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069, or 513-860-0600, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System-wide Outlet Summary
For Years 2020 to 2022**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	7	+7
	2022	7	23	+16
Company – Owned*	2020	1	1	0
	2021	1	1	0
	2022	1	3	+2

Total Outlets	2020	1	1	0
	2021	1	8	+7
	2022	8	26	+18

**Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2020 to 2022**

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

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	1	0	2
Colorado	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Kansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Michigan	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

New Jersey	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Mexico	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New York	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
	2022	4	6	0	0	0	0	10
Total	2020	0	0	0	0	0	0	0
	2021	0	7	0	0	0	0	7
	2022	7	17	0	0	1	0	23

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

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Ohio	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	1	0	0	3

*Our company-owned outlets are operated by our affiliates. The Texas outlet is being operated under a Franchise Agreement signed by our affiliate.

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

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
California	0	2	0
Florida	2	2	0
Georgia	0	2	0
Indiana	0	1	0
Massachusetts	0	2	0
New Jersey	0	1	0
New York	0	1	0
North Carolina	1	0	0
Ohio	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	2	0
Virginia	0	1	0
Total	3	17	0

Exhibit F lists the location of each franchisee in our System. During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

Our audited financial statements for the fiscal years ended December 31, 2022, December 31, 2021, and December 31, 2020, are included in Exhibit D.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in this Disclosure Document as follows:

- Exhibit B – Franchise Agreement and attachments
- Exhibit C – Deposit Agreement
- Exhibit H – Acknowledgment Statements, as permitted by law. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23: RECEIPT

A receipt in duplicate is attached as the last two pages of this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Robert Dallaire at i4 Franchise Development Inc., 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069.

EXHIBIT A

LIST OF FRANCHISE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14 th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Legalinc Corporate Services Inc. 1591 Savannah Highway Suite 201 Charleston, SC 29407
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

i4 FRANCHISE DEVELOPMENT INC.

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

i4 FRANCHISE DEVELOPMENT INC. FRANCHISE AGREEMENT

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ATTACHMENTS:

- 1 - Trademarks
- 2 - Territory Description
- 3 - Minimum Royalty Standards
- 4 - General Release
- 5 - Authorization Agreement for Automatic Deposits (ACH Withdrawals)
- 6 - Spouse Guaranty
- 7 - Internet Advertising, Social Media, Software and Telephone Listing Agreement
- 8 - Confidentiality and Non-Compete Agreement
- 9 - Statement of Ownership Interests in Franchisee/Entity
- 10 - Specialty Lines Positions List

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of _____ (the "Effective Date"), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (herein "Franchisor"), and _____, a(n) _____, with its principal place of business located at _____ ("Franchisee Entity"), and Franchisee Entity's principals, _____, an individual, residing at _____, and _____, an individual, residing at _____ ("Principals"). _____ and Principals shall collectively be referred to in this Agreement as the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides permanent placement recruiting services, using Franchisor's format, trade dress, methods of marketing and operation, training and assistance, Franchisor's enterprise property management system, Franchisor's confidential operations manual of business practices and policies (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark i4 Search Group, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards, practices, policies and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. RECITATIONS

The Recitations set out above form part of this Agreement.

2. GRANT OF FRANCHISE

Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate an i4 Search Group franchise (the "Franchise" or "Franchised Business") to provide permanent placement recruitment services to healthcare facilities (each a "Facility") for the permanent placement of professionals in one (1) of the following specialty lines (each a "Specialty Line"):

_____ Nursing, Advance Practice & Administration/Leadership

_____ Allied Health Professionals

_____ Provider Division

A list of examples of the positions included in each Specialty Line is attached to this Agreement as Attachment 10. Franchisor reserves the right to add new roles or revise the Specialty Line to which a role or position is assigned in its sole discretion. The current Specialty Lines Positions List shall be included in the operations manual and shall control.

Franchisee may only use the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the “Territory”).

3. SOLICITATION AND SALES RESTRICTIONS

3.1 Territory. This Agreement grants Franchisee the right to operate the Franchised Business for the specified Specialty Line within the Territory only. Subject to Sections 3.2, 3.3 and 3.4 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not, and Franchisor will not permit any other franchisees in the System, to operate an i4 Search Group outlet for the same Specialty Line in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee (i) achieves sufficient revenue to attain the minimum monthly royalty fee requirement as detailed in Section 3.2 below and as set forth in Attachment 3, and (ii) is not in default under this Agreement or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise i4 Search Group franchises around, bordering, and adjacent to the Territory and to use alternative methods of distribution, as more fully specified herein, within the Territory.

3.2 Minimum Royalty. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee’s Franchised Business to attain the minimum monthly royalty fee requirement. In accordance therewith, beginning in the first full calendar month after completion of the initial training program, Franchisee shall submit a minimum of ten (10) candidates per month to Facilities. Franchisee shall attain or exceed the Minimum Royalty set forth on Attachment 3 each calendar year of the Term (prorated for the calendar year in which the Opening Date occurs, if applicable). On March 1 of each calendar year, Franchisor shall determine whether Franchisee has attained the Minimum Royalty requirement and may collect the difference between the actual Royalties paid and the Minimum Royalty required. In addition, Franchisee’s failure to attain the Minimum Royalty is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) terminate this Agreement or (ii) revoke Franchisee’s limited protected rights (as described in Section 3.1 above) to the Specialty Line in the Territory.

3.3 Split Scenario for Candidate Placements. Franchisee shall provide permanent placement recruiting services and shall present candidates only for placement in Facilities located within the Territory. Franchisee may solicit candidates for hire (each a “Candidate”) who reside within or outside of the Territory. Notwithstanding the foregoing, in the event Franchisee places a Candidate, who at the time of Franchisee’s presentation of that Candidate to a Facility resides in a territory operated by another System franchisee of the same Specialty Line, Franchisee is obligated to pay fifty percent (50%) of the Facility Payment for such Candidate’s placement to such other franchisee. Additionally, for Candidate placements that cross multiple territories (such as a Candidate from territory A that is referred for placement in a Facility in territory B and who is ultimately placed in the Facility’s location in territory C), the franchisees of such territories shall each receive an equal split of the Facility Payment. Franchisee hereby acknowledges that other System franchisees have substantially similar rights to solicit Candidates outside of their territories, which includes soliciting Candidates who may reside within Franchisee’s Territory (with compensation to Franchisee as set forth in this Section 3.3) and Franchisee hereby agrees that the exercise of such right by other System franchisees is deemed

not to impair or injure Franchisee's rights pursuant to Article 2 hereof, subject to receipt of a share of the Facility Payment as set forth in this Section.

3.4 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other recruiting or staffing concepts or products under the Marks or other trademarks, including other Specialty Lines, Travel, Staffing, and Temporary recruiting services; and (iii) products or services through other channels of distribution in the Territory including, but not limited to, the internet, telemarketing or direct marketing ("Alternate Channels of Distribution"). Franchisor further specifically reserves the right to solicit, sell to, negotiated rates with, and service healthcare facilities operators that conduct business across multiple areas or have multiple Facilities either regionally or nationally ("Commercial Accounts"). Franchisor may offer Franchisee the right to service Commercial Accounts in the Territory, provided that Franchisee accepts negotiated terms and meets Franchisor's specifications; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service. Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels or unoffered or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee's rights pursuant to Article 2 hereof.

4. TERM

Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is eight (8) years following the Opening Date, as defined in Article 8 hereof (the "Term").

5. SUCCESSOR OPTIONS

Subject to the terms and conditions of this Agreement, Franchisee shall have two (2) consecutive options, following the expiration of the Term hereof, to enter into a successor franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for an additional term of five (5) years. The term of such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to fifteen percent (15%) of the then-current Initial Franchise Fee for a Territory in the same tier ("Successor Agreement Fee").

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within sixty (60) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts or deliver any of the notices required pursuant to this Section 5.1 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the then current Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business' equipment, computer system, and other assets to conform to the then-current specifications for franchised businesses on the date of the successor agreement.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against i4 Franchise Development Inc., its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance, and is subject to applicable state law.

5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new i4 Search Group franchises (as the case may be), is in the process of revising, amending or updating Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Section 5.2 hereof that Franchisee desires to enter into a Successor Franchise Agreement, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Article 5 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from a marketing area or the Territory of Franchisee's Franchised Business.

6. FEES

6.1 Initial Franchise and Royalty Fees. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount set forth on Attachment 3 (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee equal to fourteen percent (14%) of Franchisee's Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Revenue" means (i) all revenue received or receivable from Facilities for placement of Candidates ("Facility Payments") and (ii) any other revenues and income from any source derived or received by Franchisee from, through, by, or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are taxes separately stated that are payable to taxing authorities on account of the operation of the Franchised Business.

6.1.3 Revenue Reports. Franchisee shall, by the tenth (10th) and the twenty-fifth (25th) day of each calendar month, furnish Franchisor with (and/or Franchisor shall otherwise have access to) a report showing Franchisee's Gross Revenue, plus all taxes paid, at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Revenue Report"). The Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit (and/or Franchisor shall otherwise access to) the Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor requires Franchisee to use in the operation of the Franchised Business.

6.1.4 Method of Payment. Franchisee acknowledges that Facility Payments shall be made through centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. Every other Friday, or the next business day if any Friday falls on a holiday, Franchisor or Franchisor's affiliate shall distribute to Franchisee the amount of Facility Payments made for placement of Candidates in the Territory in the previous month, less: the Royalty Fee, Brand Fund Contribution, taxes (if applicable), and any other charges paid by Franchisor or Franchisor's affiliate in relation to the placement of Candidates and Facility Payments in the Territory, such as credit card processing fees or ACH fees charged by Facilities (the "Distributed Balance"). In addition, Franchisee shall, together with the submission of the Revenue Report (or Franchisor's access thereof), pay to Franchisor the Royalty Fee and Brand Fund Contribution (collectively "Other Fees") due with regard to all other Gross Revenue realized by Franchisee and paid by means other than the centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. At Franchisor's option, Franchisor may collect these Other Fees through deduction from the Distributed Balance. If a Facility is eligible for a refund as a result of a failed placement, such refund shall be deducted from the Distributed Balance or paid by

Franchisee within thirty (30) days of Franchisor's billing thereof. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 5, that allow Franchisor to automatically take Other Fees and the Technology & Administrative Fee (as described in Section 6.6 below) due, as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. Franchisor reserves the right to modify the method of Facility Payments and/or method and frequency of collection of the Royalty Fee, Brand Fund Contribution, and tax and reimbursement of fees paid by Franchisee or Franchisor's affiliate on Franchisee's behalf upon forty-five (45) days' prior notice to Franchisee.

6.2 Late Fee. For any sum payable to Franchisor pursuant to this Agreement and not otherwise collected by deduction from the Distributed Balance and which remains unpaid after the due date, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Fifty Dollars (\$150) per week. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to timely pay amounts due to Franchisor.

6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof which are not collected through deduction from the Distributed Balance, shall bear interest from the date due until paid at the rate of one and one-half percent (1.5%) per month or at the highest rate permitted by law, whichever is lower.

6.4 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars (\$100) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.5 Technology & Administrative Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a Technology & Administrative Fee in an amount determined by Franchisor for technology adopted, developed or otherwise required by Franchisor for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a benchmarking platform or other operations or communications systems, software or applications and for Franchisor's administration of technology systems and subscriptions and other administrative support and handling of day to day functions such as invoicing of Facilities. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology & Administrative Fee or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. The Technology & Administrative Fee is payable on the twenty-fifth (25th) day of each calendar month by electronic funds transfers or ACH payment. Franchisor reserves the right to adjust the frequency and manner of payment of the Technology & Administrative Fee upon forty-five (45) days' notice to Franchisee.

6.6 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall be responsible for a sum equal to the amount of such tax as well as the filing costs associated therewith. Franchisor may collect the amount of the tax and filing costs through deduction from the Distributed Balance or as determined by Franchisor in its sole discretion.

6.7 Business Development/Lead Optimization. Franchisee is required to contract with and pay

the applicable program fee to the designated supplier for this program after signing this Agreement. The program provides guidance in developing the Franchised Business in the early stages and assistance in connecting with potential clients to build and manage relationships with key personnel at Facilities in the Territory.

7. TRAINING

7.1 Initial Training Program. Franchisee shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. The Initial Training Program consists of remote learning and a course conducted at Franchisor's headquarters and/or field offices. Franchisor reserves the right to designate an alternate location for the Initial Training Program. Franchisee must at all times during the term of this Agreement have a principal who has successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, meals and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Training Program cannot be satisfactorily completed by Franchisee or a Principal, Franchisor may require the Franchisee to repeat one (1) or more components of the Initial Training Program or may terminate this Agreement.

7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal(s) and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.4 In-Territory Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.5 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of

Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided in Territory pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either by phone, email or video conferencing, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding client satisfaction issues, marketing, operation issues, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS

8.1 Site Requirements.

8.1.1 Franchisee shall operate the Franchised Business from a home-based office. Franchisee assumes all cost, liability, expense and responsibility for equipping and outfitting its home-based office as outlined in the Operations Manual.

8.1.2 At Franchisee's option, Franchisee may relocate to a commercial office location within the Territory. Before signing a lease or other binding commitment for commercial premises, Franchisee shall submit to Franchisor, in writing, a description of the proposed office location, together with such other information and materials as Franchisor may reasonably require. Franchisor shall have ten (10) business days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site. Following consent, the office address shall be set forth on Attachment 2 of this Agreement. Franchisee shall be responsible for equipping and outfitting the Franchised Business office as outlined in the Operations Manual.

8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (ii) outfit a home-based office, (iii) obtain all required licenses to operate the Franchised Business, (iv) obtain all equipment Franchisor requires, including but not limited to, computer systems, software, and applications, and (v) provide Franchisor with documentation for bank account(s) for use in the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within sixty (60) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

8.3 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the Territory set forth in Attachment 2, and no other. Franchisee shall notify Franchisor in writing prior to relocation of the office for the Franchised Business, which relocation shall be at Franchisee's sole expense. Upon relocation, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System and (ii) the parties shall amend Attachment 2 to reflect the address of the new Franchised Business office location.

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM

9.1 Maintenance of Franchised Business Assets. Franchisee shall maintain the Franchised Business office location, all required Franchised Business equipment, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required

to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment, computer hardware, software and accessories, as Franchisor may direct.

9.2 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment and technology, including but not limited to, the Computer System, payment processing systems, telecommunications hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.3 System Services. From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the recruiting and staffing services offered by the System. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.3 hereof, as Franchisor may direct.

9.4 Trade Dress Modifications.

9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified, color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.4.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications. Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 Legal Restrictions. Franchisee acknowledges that laws, regulations and rules governing the jurisdiction of the Territory ("Local Laws") may limit, at any time during the Term, the method, means or ability of Franchisee to perform System services or other of Franchisee's obligations pursuant to this Agreement. Franchisee hereby acknowledges and agrees that Franchisee (i) has conducted due diligence regarding Local Laws, (ii) has determined that Local Laws permit Franchisee to operate as contemplated by this Agreement, (iii) recognizes that Local Laws may change, and (iv) expressly waives any and all claims against Franchisor or Franchisor's affiliates for losses, damages and/or expenses in the event that current or future Local Law impedes Franchisee's ability to operate as required hereunder.

9.7 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate

ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

10. FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1 Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Attachment 2 attached hereto and incorporated herein.

10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the internet, at Franchisor's sole and absolute discretion.

10.3 Pre-Opening Requirements. Provide Franchisee with a written list of equipment, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.

10.4 Facility Approval. Provide criteria for an organization to be eligible as a Facility for provision of permanent placement recruiting services through the System. For each Facility solicited by Franchisee, Franchisee shall submit to Franchisor such information and forms, as required by Franchisor, for Franchisor's approval. Franchisee acknowledges that Franchisor or Franchisor's affiliate shall execute a contract directly with each Facility for permanent placement recruiting services. Franchisee has no right or authority to sign any binding agreement with any Facility to perform any permanent placement recruiting services, and any such action shall be a material default of this Agreement.

10.5 Recruitment Opportunities. Provided Franchisee is in compliance with this Agreement, notification to Franchisee of all existing Facility contracts in the Territory with permanent placement recruitment needs and authorization of Franchisee to render service to such Facilities.

10.6 Advertising Materials. In Franchisor's sole discretion, make available samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved, required, and/or recommended suppliers of products and services for System franchisees.

10.8 Training. The training programs specified in Article 7 herein.

10.9 On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.

10.10 Brand Fund. Administer a Brand Fund in accordance with Section 13.3 and conduct Systemwide marketing efforts, as Franchisor determines in Franchisor's discretion. Franchisor has not established a Brand Fund at this time.

10.11 Website. Maintain the website for the System.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee Entity and each and every Principal covenant and agree that Franchisee Entity and each Principal shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. Franchisee Entity and each Principal represent, warrant and covenant that:

11.2.1 Franchisee Entity is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee Entity has elected to be taxed as a corporation pursuant to the Internal Revenue Code and shall maintain such election throughout the Term;

11.2.3 Franchisee Entity is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Territory;

11.2.4 Franchisee Entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.5 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee; and

11.2.6 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.

11.3 Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.4 Personal Supervision.

11.4.1 Franchisee shall personally supervise, and devote full time and attention to, the operation of the Franchised Business and may not appoint a manager, unless Franchisee receives Franchisor's prior written consent. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights

and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further:

- (i) Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.
- (ii) Execute a confidentiality and non-compete agreement in a form substantially similar to Attachment 8.
- (iii) Satisfy the training requirements set forth in Article 7, including completion of the Initial Training Program, if required by Franchisor. Franchisee shall pay Franchisor the then-current fee for attendance at the Initial Training Program and shall pay all other costs of to attend training, including transportation, lodging, and meals.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a Facility, Candidate, or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary,

to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

12. FRANCHISEE'S OPERATIONS

12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;

12.1.2 Solicit Facilities and Candidates in accordance with Franchisor's standards and specifications, as set forth in the Manual or otherwise. Franchisee shall use the Applicant Tracking Software (ATS) in accordance with Franchisor's specifications. Failure to utilize the ATS as set forth in the Manual shall be a material default of this Agreement;

12.1.3 Employ sufficient employees or contractors so as to provide prompt and efficient customer service in conformity with the methods, standards, and specifications prescribed by Franchisor. Each Territory owned by Franchisee shall be staffed by at least one (1) full-time recruiter. Franchisee acknowledges and agrees that poorly trained employees or contractors, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.4 Timely make all required payments to suppliers and other contractors and creditors of the Franchised Business in accordance with the applicable agreements and provide documentation thereof, as requested by Franchisor;

12.1.5 Timely pay all taxes and provide documentation thereof, as requested by Franchisor. Franchisor reserves the right to require Franchisee, at Franchisee's cost and expense, to use a third-party tax payment services vendor, designated and approved by Franchisor. Franchisor may designate new third-party tax payment services vendor(s) at any time, and Franchisee shall use such newly designated vendor(s) upon notice from Franchisor. Franchisor may collect taxes and associated filing fees through deduction from the Distributed Balance or as determined by Franchisor in its sole discretion;

12.1.6 Permit Franchisor or its agents, to inspect the Franchised Business office and any services, products or equipment, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any product or service that does not conform to the System standards and specifications;

12.1.7 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.8 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks;

12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's proprietary information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2 Within thirty (30) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet and tax reports for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds any underpayment owed in any Revenue Report, unless due solely to Franchisor's error in the calculation of the Distributed Balance, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the Term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3 Computer Systems.

12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware, software, applications and accounts Franchisor requires for the

operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2 Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems, and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and bookkeeping accounts.

12.3.3 Any and all data regarding Facilities or Candidates collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the internet at the speed required by Franchisor from time to time. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other presence on the internet except as provided and specifically permitted herein.

12.3.6 Franchisor has established a website that provides information about the System and the services and products offered by the System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include Franchisee's employment listings on the Website, in Franchisor's discretion. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to the Website upon expiration or termination of this Agreement for any reason.

12.3.7 In addition to the requirements of Section 6.6, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operations of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software, internet access, license fees, help desk fees, database access for candidate sourcing and subscriptions to recruiting websites as required by Franchisor, and licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer systems used in the Franchised Business and information contained thereon. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Pricing. Subject to applicable law, Franchisor shall maintain a standard pricing structure for recruitment services and/or other products and services offered by the Franchised Business. Franchisor reserves the right to set minimum prices for such System recruitment and/or other products and services. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular rate or price will enhance Franchisee's sales or profits.

12.5 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee an evaluation fee equal to Five Hundred Dollars (\$500), plus the actual cost of evaluation, inspection and/or testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within sixty (60) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.6 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, client surveys and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.7 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Article 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchised business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

13. ADVERTISING, PROMOTIONS AND RELATED FEES

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Advertising. Franchisee must spend a minimum of Two Hundred Fifty Dollars (\$250) per month for advertising and promotion of the Franchised Business in the Territory. Franchisee is required to conduct networking and marketing activities to retain Facilities and identify new potential Facilities in the Territory on an on-going basis. Within ten (10) business days of Franchisor's request, Franchisee shall provide a quarterly report accurately reflecting Franchisee's marketing activities within the Territory for the preceding quarterly period.

13.3 Brand Fund.

13.3.1 Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the "Brand Fund"). Franchisee is required to contribute three percent (3%) of Gross Revenue every other Friday to the Brand Fund ("Brand Fund Contribution"). Payments will be made in the same manner and time as the Royalty Fees. Franchisor reserves the right to increase the Brand Fund Contribution at any time during the Term of this Agreement to any amount not to exceed four percent (4%) of Gross Revenue.

13.3.2 Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to System outlets operated by Franchisor or Franchisor's affiliates.

13.3.4 Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and staff salaries for dedicated personnel and other departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

13.3.5 The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs, staff salaries of Brand Fund personnel and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6 Franchisor will prepare an unaudited annual statement of the Brand Fund's operations and will make it available to Franchisee upon request. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7 Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on internet search engines. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, Twitter, LinkedIn, YouTube, TikTok, Pinterest, or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.

13.5 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the i4 Search Group brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

14.1.1 Franchisee expressly understands and acknowledges that Franchisor's affiliate, or its successor ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to the Website, documents, standard agreements, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office location or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Mark "i4 Search Group" and its designs. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of i4 Franchise Development Inc."

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent i4 Search Group franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, receipts and correspondence, as well as the display of a notice in such content and form and at such conspicuous location upon the office and vehicle, as directed by Franchisor, used in the Franchised Business, as Franchisor may designate in writing.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person

other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1 Required Insurance Coverage. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, an **Errors and Omissions Insurance** policy that provides coverage for permanent employment placement of not less than One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate. As of the Effective Date, Franchisor's insurance policy shall provide the errors and omissions insurance coverage for Franchisee, at Franchisee's option and expense.

15.2 Recommended Insurance Coverage. Franchisor recommends, but does not require, Franchisee to procure, prior to the commencement of any operations under this Agreement, the following insurance policies:

15.2.1 Liability. Comprehensive general liability insurance, including personal and advertising injury coverage, together with the costs and expenses of the defense and/or adjustment of injury or damage, in the amount of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;

15.2.2 Cyber Coverage. Comprehensive data security and privacy cyber insurance, including coverage for unauthorized access and use, security failure, breach of confidential information, privacy perils, and breach mitigation costs and regulatory coverage, in the amount of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;

15.2.3 Business. Business interruption insurance in an amount not less than the greater of (i) One Hundred Thousand Dollars (\$100,000) or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement for a minimum period of three (3) months; and

15.2.4 Employment. Worker's compensation coverage in the limits required by state law, employment practices/abuse and employee dishonesty insurance with third-party coverage in the amount of at least One Million Dollars (\$1,000,000), and employer liability insurance with a minimum policy limit of One Million Dollars (\$1,000,000) is recommended to be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated.

Notwithstanding the foregoing, Franchisee shall be required to procure and maintain any insurance required by the state or municipality in which the Franchised Business is located, or required per any lease for the premises of the Franchised Business, in the event commercial space is leased by Franchisee, and shall be maintained in the amounts and with the required limits as prescribed by the laws of the state or municipality or by the lease for the premises.

15.3 Policy Requirements. All insurance policies maintained by Franchisee shall be primary and non-contributory to any insurance that Franchisor may carry. Franchisee's insurance shall be provided by insurance companies with an A.M. Best rating of not less than A-VII, protecting Franchisee and Franchisor, and naming Franchisor, Licensor, and their members, officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.4 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the coverages Franchisee maintains. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies maintained by Franchisee.

15.5 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain any insurance required by Section 15.1 hereof or by the state or municipality in which the Franchised Business is located, or any insurance required per the lease for the premises of the Franchised Business, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.6 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the recommended minimum requirements for any type of insurance or add additional types of insurance recommendations as Franchisor deems reasonably prudent to recommend. Within thirty (30) days of any such new limits or types of coverage, Franchisee shall submit proof to Franchisor of the changes to Franchisee's coverage pursuant to Franchisor's recommendations.

15.7 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS i4 FRANCHISE DEVELOPMENT INC., i4 SEARCH GROUP LLC, AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "i4 INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S FRANCHISE, THE FRANCHISED BUSINESS, THE SERVICES OR PRODUCTS, OR THE FRANCHISED

BUSINESS OFFICE LOCATION, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE i4 INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE i4 INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE i4 INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE i4 INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE i4 INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE i4 INDEMNITEES.

Initial

16. TRANSFERS

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain or business, and to operate, franchise or license those businesses operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's Facilities).

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the permanent placement recruitment business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they

exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors, including any refunds owed to Facilities as a result of failed placements;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to Ten Thousand Dollars (\$10,000); provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is Seven Thousand Five Hundred Dollars (\$7,500), (ii) for transfers to an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, the transfer fee is One Thousand Five Hundred Dollars (\$1,500), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchisee's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars (\$3,500).

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to

transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management for a fee equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions.

17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or Principal files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing an inability to pay debts when due; or if Franchisee or Principal is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or Principal or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or Principal; or if a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's or Principal's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without

affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or to open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more;

17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.6 fails to comply with the covenants in Article 15;

17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.9 has misrepresented or omitted material facts in applying for the Franchise;

17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that could harm the reputation of the System, or the goodwill associated with the Marks;

17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.13 fails to input all required Facility, Candidate and tracking data into Franchisor's computer systems, falsifies such data, or otherwise attempts to circumvent Franchisor's computer systems;

17.2.14 creates a threat or danger to public health or safety from operation of the Franchised Business;

17.2.15 refuses to permit Franchisor to inspect or audit Franchisee's books or records or inspect or audit the Franchised Business as required by this Agreement;

17.2.16 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.17 fails to comply with the non-competition covenants in Section 19.5;

17.2.18 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;

17.2.19 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.20 receives three (3) or more Facility complaints within a twelve (12)-month period. A "Complaint" is any issue that rises to the level where the contract with the Facility is in danger of being canceled or not renewed;

17.2.21 commits a default of any material provision of any contract with a Facility for the provision of permanent placement recruitment services on two (2) or more occasions within a twelve (12)-month period;

17.2.22 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.23 fails to meet Minimum Royalty; or

17.2.24 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.18 and/or 17.2.19;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12)-month period shall be a non-curable default under Section 17.2.18.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees payable under this Agreement, Franchisee shall pay Franchisor a fee for interim management equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to products and services sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorney's fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal shall:

18.1.1 immediately cease to operate the Franchised Business, including cessation of all recruitment activities for any Facility, and shall not thereafter, directly or indirectly identify himself, herself, or itself as a current i4 Search Group owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all committed payments to vendors, any refunds owed to Facilities as a result of failed placements, and damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;

18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to Facility and Candidate lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average weekly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2. Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer systems), signs, fixtures, advertising materials, and supplies of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's

title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, subscriptions, databases, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise

reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.2 Confidential Information. Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, pricing structures, vendor partnerships and/or relationships, sales and technical information, costs, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business ("Improvements"),

Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5 Non-Competition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, Facility, Candidate, vendor or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any medical recruiting or medical staffing business, whether similar or dissimilar to the System, in any Specialty Line; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any System franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, Facility, Candidate, vendor or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business within fifty (50) miles of the Territory or within fifty (50) miles of any System office location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any System franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s), since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition,

Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunction. Franchisee and each Principal acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 8 as revised and updated from time to time and contained in the Manual. Franchisee is required to maintain copies of all such agreements and provide them to Franchisor upon Franchisor's request.

20. DISPUTE RESOLUTION

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto, or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration

Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Butler County, Ohio, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;

20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and

20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Ohio. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Ohio. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Ohio. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7 Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

20.8 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.4 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

20.9 Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

20.10 Attorney's Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

20.11 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

21.1 Relationship of the Parties.

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever,

and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a System outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Entire Agreement. This Agreement, including all Attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principal shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one (1) person is so named.

21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.8 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.10 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Ohio, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.12 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

i4 FRANCHISE DEVELOPMENT INC.

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 1

TRADEMARKS

Service Mark --



ATTACHMENT 2

TERRITORY DESCRIPTION

Franchised Business Office Address:

Territory (insert map and/or define by counties):

ATTACHMENT 3

MINIMUM ROYALTY STANDARDS

Minimum Monthly Royalty* of \$2,500 per one (1) million of population in the Territory as of the Effective Date.

Territory Population: _____

Initial Fee: _____

*Commencing Month 6 of the Term

ATTACHMENT 4

GENERAL RELEASE

_____ (“Franchisee”) and its principal(s):

(a) Franchisee and Franchisee’s Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the “Released Franchisor Party”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee’s Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee’s Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee’s Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys’ fees and costs.

(b) Franchisee and Franchisee’s Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee’s Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee’s Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee’s Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations not contained herein.

Franchisee and Franchisee's Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the franchisee is represented by independent counsel. *See* RCW 19.100.180(g); RCW 19.100.220.

Executed as of _____.

FRANCHISEE:

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 5

AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **i4 Franchise Development Inc.**

I (We) hereby authorize i4 Franchise Development Inc., hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: _____ Branch: _____

City: _____ State: _____ Zip: _____ Phone: _____

ACH/Routing Number: _____ Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name

Print Franchisee/Co-Account Holder Name

Franchisee/ Account Holder Signature-Date

Franchisee/Co-Account Holder Signature-Date

Daytime Phone Number

Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to:

i4 Franchise Development Inc.
7185 Liberty Centre Drive, Suite A
West Chester, Ohio 45069
(513) 860-0600

ATTACHMENT 6

SPOUSE GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____, (the “Effective Date”) to i4 Franchise Development Inc., an Arizona corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____ and _____ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any obligations guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor’s rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Print Name:_____

Print Address:_____

ATTACHMENT 7

**INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE,
AND TELEPHONE LISTING AGREEMENT**

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (the “Franchisor”), and _____, a(n) _____, with its principal place of business located at _____, and _____’s principal(s), _____, an individual, residing at _____, and _____, an individual, residing at _____ (“Principal(s)”). _____ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an i4 Search Group business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the i4 Search Group brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

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

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. Internet Advertising and Telephone Listings

2.1 Interest in Websites, Social Media Accounts, Other Electronic Listings and Software. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, the right to hyperlink to certain websites and listings on various internet search engines, and the right to use certain software (collectively, “Electronic Advertising and Software”) related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the “Internet and Software Companies”) with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet and Software Companies to transfer all Franchisee’s interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the

foregoing, Franchisee will remain liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. Miscellaneous

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to the application of Ohio conflict of law rules.

-Remainder of page intentionally left blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

i4 FRANCHISE DEVELOPMENT INC.

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 8

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this day of _____, by _____, a(n) _____ (“Franchisee”), a franchisee of i4 Franchise Development Inc., an Arizona corporation (“Franchisor”), and _____, an individual (“Covenantor”).

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the trademark “i4 Search Group” and its designs, and certain proprietary products, services, promotions and methods (the “System”) for the establishment and operation of an i4 Search Group franchise (the “Franchised Business”);

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the i4 Search Group operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as “Confidential Information”);

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

- (i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other System franchisees to any competitor, by direct or indirect inducement or otherwise, or
- (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business, whether similar or dissimilar to the System, in any specialty line.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

- (i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise, or
- (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any medical recruiting or medical staffing business similar to the System across all specialties within fifty (50) miles outside of the boundaries of the Franchisee's Territory or within fifty (50) miles of any System office location.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately

upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF STATE OF OHIO. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF OHIO; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom

intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee: _____

If directed to Covenantor: _____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor’s obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____
Name: _____
Title: _____

COVENANTOR:

Name: _____

ATTACHMENT 9

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name

Percentage of Ownership

ATTACHMENT 10

SPECIALTY LINES POSITIONS LIST

NURSING, ADVANCE PRACTICE, & ADMINISTRATION / LEADERSHIP

- All Nurse Positions (Including, but not limited to, examples below)
 - Certified Nurse Assistant - CNA
 - Charge Nurse
 - Chief Nursing Officer - CNO
 - Clinical Nurse Specialist
 - Director of Nursing
 - Licensed Practical Nurse - LPN / Licensed Vocational Nurse - LVN
 - Nurse Director
 - Nurse Manager
 - Registered Nurse – RN
 - Case Manager
- All Advanced Practice Professional positions (Including, but not limited to, examples below)
 - Certified Registered Nurse Anesthetist – CRNA
 - Clinical Nurse Specialist - CNS
 - Nurse Midwife - CNM
 - Nurse Practitioner – NP
 - Physician Assistant – PA
- Administration & Leadership positions
 - Non-Clinical Administration & Leadership positions (Including, but not limited to, examples below)
 - C-Suite positions
 - CEO, COO, President, CFO, CHRO, etc
 - Controller, Accounting Manager, HR Manager, Recruiter
 - Director of IT, Director of Human Resources, Director of Talent Acquisition
Director of Accounting
 - Administration & Leadership positions that require a nursing or advanced practice degree or background

PROVIDER DIVISION

- Chiropractor
- Pharmacist
- Physician
- Psychiatrist
- Psychologist

ALLIED HEALTH PROFESSIONALS

- Administration & Leadership positions that require an Allied Health degree or background
- Audiologist

- Certified Medical Assistant
- Dietitian
- Diagnostic medical personnel (Including, but not limited to, examples below)
 - Clinical Lab Scientist
 - Clinical Chemists
 - Cytotechnologists
 - Diagnostic molecular scientists
 - Histotechnologists
 - Medical laboratory scientists
 - Molecular Biologists
 - Pathologists' assistants
- Exercise science professionals (Including, but not limited to, examples below)
 - Athletic trainers
 - Exercise physiologists
 - Kinesiotherapists
- EMT / Paramedic
- Imaging specialists (Including, but not limited to, examples below)
 - Nuclear medicine technologists
 - Radiographers
 - Sonographers
- Lactation Consultant
- Medical Billing
- Medical Coder
- Medical Dosimetrists
- Medical Physicists
- Medical Scribe
- Nutritionist
- Optometrist
- Orthoptist
- Podiatrist
- Perfusionist
- Pharmacy Assistants
- Phlebotomist
- Prosthetist
- All Tech Positions (Including, but not limited to, examples below)
 - Anesthesia Tech
 - Cardiovascular Tech
 - Clinical Lab Tech
 - Dialysis Tech
 - Electrocardiogram Tech
 - EMT
 - Endoscopy Tech
 - Lab Tech

- Medical Records Tech
- Medical Laboratory Tech
- MRI Tech
- Patient Care Tech
- Pharmacy Tech
- Radiology Tech
- Rehab Tech
- Sterile Processing Tech
- Surgical Tech
- Ultrasound Tech
- All Therapist Positions (Including, but not limited to, examples below)
 - Family Therapists
 - Occupational Therapist
 - Physical Therapist
 - Physiotherapist
 - Radiation Therapist
 - Radiotherapist
 - Recreational Therapist
 - Respiratory Therapist
 - Speech and Language Therapist

EXHIBIT C

DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (this "Agreement") is made and entered into as of _____ (the "Effective Date"), by and between i4 Franchise Development Inc., an Arizona corporation, with its principal place of business at 7185 Liberty Centre Drive, Suite A, West Chester, Ohio, 45069 (herein "Franchisor"), and _____, an individual, residing at _____ ("Depositor"). Franchisor and Depositor are sometimes referred to herein individually as a "Party" and together as the "Parties".

RECITALS

WHEREAS, Franchisor is in the business of developing and operating a franchise system of businesses that provide professional staff recruitment services for healthcare facilities, under Franchisor's trademarks, service marks, and system (each a "Franchised Business");

WHEREAS, Depositor wishes to become a franchisee under Franchisor's system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Franchised Business within an agreed-upon territory for an agreed-upon Specialty Line (the Territory);

WHEREAS, to reserve the Territory, Depositor is willing to place a deposit with Franchisor; and

WHEREAS, upon receipt of a deposit, Franchisor is willing to remove the Territory as an available area for franchise sales for the agreed-upon Specialty Line, in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Deposit. Upon execution of this Agreement, Depositor shall pay Franchisor the sum of Ten Thousand Dollars (\$10,000) as a non-interest-bearing deposit (the "Deposit"). The Deposit shall be refundable to Depositor only if Franchisor terminates this Agreement as provided for in Section 4(a) below; otherwise, the Deposit is non-refundable.
2. Territory Reservation. During the twelve (12) months immediately following the Effective Date (the "Reservation Period"), Franchisor shall not offer or sell the Territory set forth on Attachment A hereto to anyone other than Depositor for the purpose of owning and/or operating a Franchised Business therein.
3. Application. Unless Franchisor terminates this Agreement as provided in Section 4(a), the full amount of the Deposit shall be applied by Franchisor toward payment of the initial franchise fee due under the franchise agreement entered into by the parties.
4. Termination.

- (a) Franchisor and Depositor shall each have the right to terminate this Agreement at any time, with or without cause, by providing written notice to the other party. If Franchisor terminates this Agreement, Franchisor shall refund the Deposit as provided in Section 2 above.
 - (b) This Agreement shall terminate at the earlier of: (i) notice from one (1) party to the other, pursuant to Section 4(a), exercising such party's right to terminate, (ii) the parties' execution of a franchise agreement for a Franchised Business, or (iii) the end of the Reservation Period.
5. No Franchise Rights. Depositor acknowledges that this Agreement is not a franchise agreement. Depositor has no right to use the i4 Search Group marks and/or system, and Franchisor has no obligation to provide any products or services to Depositor, by virtue of this Agreement.
 6. Acknowledgment. Depositor acknowledges receipt of Franchisor's Franchise Disclosure Document at least fourteen (14) days prior to the Effective Date and payment of the Deposit.
 7. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of Ohio without regard to its conflict of laws principles.

The undersigned have entered into this Deposit Agreement as witnessed by their signatures below.

DEPOSITOR:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

Name: _____

By: _____
Name: _____
Title: _____

ATTACHMENT A

[INSERT RESERVED TERRITORY AND SPECIALTY LINE]

EXHIBIT D
FINANCIAL STATEMENTS

i4 FRANCHISE DEVELOPMENT INC.

FINANCIAL REPORT

AS OF DECEMBER 31, 2022



i4 FRANCHISE DEVELOPMENT INC.

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Independent Auditor's Report

To the Stockholders
i4 Franchise Development Inc.
West Chester, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying balance sheet of i4 Franchise Development Inc. as of December 31, 2022, and 2021 and the related statement of operations, stockholders' equity, and cash flows for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020, and the notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of i4 Franchise Development Inc. as of December 31, 2022, and 2021 and the results of their operations and their cash flows for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of I4 Franchise Development, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about I4 Franchise Development, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of I4 Franchise Development, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about I4 Franchise Development, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Reese CPA LLC

Ft. Collins, Colorado
March 10, 2023

**I4 FRANCHISE DEVELOPMENT INC.
BALANCE SHEET
AS OF DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 125,141	\$ 69,557
Accounts receivable	520,020	120,000
Deferred commission costs, current	13,186	-
TOTAL CURRENT ASSETS	658,347	189,557
NON-CURRENT ASSETS		
Deferred commission costs, long-term	89,089	0
Franchise development costs	11,700	15,300
TOTAL ASSETS	\$ 759,136	\$ 204,857
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 42,456	\$ 5,511
Non-refundable deferred franchise fees, current	155,625	37,500
TOTAL CURRENT LIABILITIES	198,081	43,011
NON-CURRENT LIABILITIES		
Non-refundable deferred franchise fees	988,435	320,781
TOTAL LIABILITIES	1,186,516	363,792
STOCKHOLDERS' EQUITY		
Common stock; no par value; 400 shares authorized, issued and outstanding	75,000	75,000
Retained (Deficit)	(502,380)	(233,935)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(427,380)	(158,935)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 759,136	\$ 204,857

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

I4 FRANCHISE DEVELOPMENT INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES			
Initial franchise fees	\$ 264,981	\$ 56,719	\$ -
Royalties	335,265	61,942	-
Other	-	36,239	-
TOTAL REVENUES	<u>600,246</u>	<u>154,900</u>	<u>-</u>
OPERATING EXPENSES			
Personnel and related costs	713,430	216,868	-
Franchise expense	61,365	74,542	-
General and administrative	50,048	34,535	3,000
Professional fees	37,430	28,543	7,640
Advertising and promotion	2,818	20,012	995
Amortization expense	3,600	2,700	-
TOTAL OPERATING EXPENSES	<u>868,691</u>	<u>377,200</u>	<u>11,635</u>
OPERATING (LOSS)	(268,445)	(222,300)	(11,635)
OTHER INCOME (EXPENSE)	-	-	-
NET (LOSS)	<u>\$ (268,445)</u>	<u>\$ (222,300)</u>	<u>\$ (11,635)</u>

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

**I4 FRANCHISE DEVELOPMENT INC.
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020**

	Common Stock Shares	Common Stock Amount	Retained (Deficit)	Total Stockholders' Equity (Deficit)
BALANCE, NOVEMBER 2, 2020 (INCEPTION)	-	\$ -	\$ -	\$ -
Issuance of common stock	400	50,000	-	50,000
Net loss	-	-	(11,635)	(11,635)
BALANCE, DECEMBER 31, 2020	<u>400</u>	<u>50,000</u>	<u>(11,635)</u>	<u>38,365</u>
Additional paid-in capital		25,000	-	25,000
Net loss	-	-	(222,300)	(222,300)
BALANCE, DECEMBER 31, 2021	<u>400</u>	<u>75,000</u>	<u>(233,935)</u>	<u>(158,935)</u>
Net loss	-	-	(268,445)	(268,445)
BALANCE, DECEMBER 31, 2022	<u>400</u>	<u>\$ 75,000</u>	<u>\$ (502,380)</u>	<u>\$ (427,380)</u>

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

I4 FRANCHISE DEVELOPMENT INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND THE PERIOD
FROM NOVEMBER 2, 2020 (INCEPTION) THROUGH DECEMBER 31, 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)	\$ (268,445)	\$ (222,300)	\$ (11,635)
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	3,600	2,700	-
Recognition of deferred commission costs	3,212	-	-
Recognition of non-refundable deferred franchise fees	(84,221)	(56,719)	-
Changes in assets and liabilities			
Accounts receivable	(400,020)	(120,000)	-
Deferred commission costs	(105,487)	-	-
Accounts payable and accrued expenses	36,945	5,511	-
Non-refundable deferred franchise fees	870,000	415,000	-
Net cash provided (used) by operating activities	<u>55,584</u>	<u>24,192</u>	<u>(11,635)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	-	(3,500)	(14,500)
Net cash (used) by investing activities	<u>-</u>	<u>(3,500)</u>	<u>(14,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock	-	25,000	50,000
Net cash provided by financing activities	<u>-</u>	<u>25,000</u>	<u>50,000</u>
NET INCREASE IN CASH	55,584	45,692	23,865
CASH, BEGINNING	<u>69,557</u>	<u>23,865</u>	<u>-</u>
CASH, ENDING	<u><u>\$ 125,141</u></u>	<u><u>\$ 69,557</u></u>	<u><u>\$ 23,865</u></u>
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

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

**i4 FRANCHISE DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS**

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

i4 Franchise Development Inc. ("Company") was incorporated on November 2, 2020, (Inception) in the State of Arizona. The Company offers franchises the right to operate a permanent placement recruiting business under the "i4 Search Group" name and its associated design ("Marks") and using distinctive operating procedures and standards in a designated area (the "Franchised Business"). The Franchised Business will provide recruiting services to healthcare facilities for the permanent placement of professionals in one of three specialty lines: Nursing and Advance Practice Professionals, Allied Health Professionals, or Provider Services Professionals.

Affiliates

i4 Search Group LLC was formed in Texas on November 2, 2019, as a limited liability company, is the owner of the Marks and has exclusively licensed use of the Marks to the Company and its franchisees. i4 Search Group LLC has also operated a permanent placement recruitment business serving healthcare facilities and providers nationwide, in areas not operated by franchisees, using the Marks since November 2019

The above affiliate does not sell franchises in any other line of business and is not otherwise engaged in any other business activity.

The following table summarizes the number of locations open and operating for the year ended December 31, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Locations in operation, beginning	8	1	1
Locations opened	15	7	-
Locations terminated or closed	-	-	-
Locations in operation, ending	<u>23</u>	<u>8</u>	<u>1</u>
Franchised locations	22	7	-
Affiliate owned locations	1	1	1

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

A summary of significant accounting policies follows:

**i4 FRANCHISE DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS**

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

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2022, and 2021.

Accounts Receivable

Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized subsequent to invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company did not have any allowance for doubtful accounts as of December 31, 2022, and 2021 and did not charge-off any accounts receivable for the years ended December 31, 2022, 2021 and the period from November 2, 2020 (Inception) through December 31, 2020.

Intangible Assets

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

Intangible assets consist of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Franchise development costs	\$ 18,000	\$ 18,000
Less accumulated depreciation	(6,300)	(2,700)
	<u>\$ 11,700</u>	<u>\$ 15,300</u>

Amortization was \$3,600, \$2,700 and \$0 for the years endings December 31, 2022, 2021, and 2020. Amortization is expected to be \$3,600 per year for the next 3.75 years.

**i4 FRANCHISE DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS**

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

Income Taxes

The stockholders of the Company have elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its stockholders and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's stockholders. The Company's evaluation was performed for the years ended December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, for U.S. Federal Income Tax and for the State of Arizona Income Tax.

Revenue Recognition

The Company's revenue mainly consists of franchise fees and royalties.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years. The Company has no revenue from initial fees during the period from November 2, 2020 (Inception) through December 31, 2020.

When a franchisee purchases an i4 Search Group franchise, the Company grants the franchisee the right to use the proprietary methods, techniques, trade dress, trademarks, and logos ("the license"). The license is symbolic intellectual property. Revenues related to the license are continuing royalties and are 14% of gross revenues, with a monthly minimum of \$1,850 per million in population in the related territory. These revenues will be used to continue the development of the Company's brand, the franchise system and provide on-going support for the Company's franchisees. The royalties are billed semimonthly and are recognized as revenue when earned.

Brand Development Fund Contribution

The Company collects a brand development fund fee of 3% of the gross revenues of each franchise location. The Company has the right to increase this fee to 4%.

**i4 FRANCHISE DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS**

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

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the years ended December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, was \$2,818, \$20,012 and \$995, respectively.

Fair Value of Financial Instruments

For the Company’s financial instruments consist of cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates (“ASU”). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

NOTE 2 – CONTRACT BALANCES

The Company recorded a liability for unearned revenue and related commission costs associated with the performance obligation of the Company’s franchise agreements. The account balances and activity are as follows:

	December 31,	
	2022	2021
Deferred Commission Costs		
Balance Beginning of year	\$ -	\$ -
Deferral of commission costs	105,487	-
Recognition of commission costs	(3,212)	-
Balance at End of Year	\$ 102,275	\$ -
Deferred Non-refundable Franchise Fees:		
Balance Beginning of year	\$ 358,281	\$ -
Deferral of non-refundable franchise fees	870,000	415,000
Recognition of non-refundable franchise fees	(84,221)	(56,719)
Balance at End of Year	\$ 1,144,060	\$ 358,281

**i4 FRANCHISE DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – CONTRACT BALANCES (CONTINUED)

Estimated Recognition of Non-refundable Deferred Franchise Fees and Franchise Acquisition Costs

Estimated revenues and franchise acquisition costs to be recognized in future periods related to non-refundable deferred franchise fees as reported at December 31, 2022, is as follows:

	Deferred Commission Costs	Non-refundable Franchise Fees
Year ending December 31:		
2023	\$ 13,186	\$ 155,625
2024	13,186	155,625
2025	13,186	155,625
2026	13,186	155,625
2027	13,186	155,625
Thereafter	36,345	365,935
	\$ 102,275	\$ 1,144,060

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ending December 31, 2022, 2021, and the period from November 2, 2020 (Inception) through December 31, 2020, is as follows:

	2022	2021	2020
Performance obligations satisfied at a point in time	\$ 180,760	\$ 36,239	\$ -
Performance obligations satisfied through the passage of time	419,486	118,661	-
Total revenues	\$ 600,246	\$ 154,900	\$ -

NOTE 3 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 3 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through March 10, 2023, the date on which the financial statements were available to be issued.

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

i4 Franchise Development Inc.

Franchise Operations Manual Table of Contents

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EXHIBIT F

FRANCHISED OUTLETS AND FORMER FRANCHISEES

As of December 31, 2022

ARIZONA	
<p><u>AS4 LLC</u> Guillermo Abascal 22496 East Via Del Verde Queen Creek, Arizona 85142 480-690-6560 AZ Nursing</p>	
CALIFORNIA	
<p><u>Golden Recruiting, Inc.</u> Rachel Brown 3501 McKinley Village Way Sacramento, California 95816 916-610-1455 CA7 Nursing</p>	<p><u>R5 Enterprises LLC</u> Eric & Loren Reynoso 4205 California Avenue Long Beach, California 90807 562-517-7575 CA2 Nursing</p>
COLORADO	
<p><u>Savoy Enterprises LLC</u> Mandisa Richardson 15379 Avenida De Portugal Moreno Valley, California 92555 720-677-4494 CO Nursing</p>	<p><u>MK Consulting Group, LLC</u> Mark Kulaski 5754 South Harlan Street Littleton, Colorado 45069 720-740-2070 CO Allied</p>
FLORIDA	
<p><u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 FL2 Nursing <i>Transferred from Wardell in 2022</i></p>	<p><u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66th Street Cave Creek, Arizona 85331 469-447-9354 FL4 Nursing</p>
KANSAS	
<p><u>TAAD Bit Recruiting LLC</u> Tiaira Marie Miceli 2246 Tennessee Street Lawrence, Kansas 66046 913-270-4282 KS & parts of MO Nursing</p>	
MICHIGAN	
<p><u>LDI4, LLC</u> Laci Dallaire 515 Heather Lane Grosse Pointe Woods, Michigan 48236 313-710-6500 MI1 Nursing</p>	

NEW JERSEY	
<u>Thoughtfully Allied Recruiting, LLC</u> Stephy Opatola 5241 Jericho Avenue North Port, Florida 34288 771-203-4100 NJ2 Nursing	
NEW MEXICO	
<u>Cactus Holdings Group, LLC</u> Keith Tench & Anna Iniguez 4960 South Gilbert Road, #1-104 Chandler, Arizona 85249 623-264-0206 NM Nursing	
NEW YORK	
<u>Doherty Recruiting LLC</u> 8243 Alpine Aster Court Liberty Township, Ohio 45044 513-653-7575 NY3 Nursing	
TENNESSEE	
<u>LDI4, LLC</u> Laci Dallaire 515 Heather Lane Grosse Pointe Woods, Michigan 48236 313-710-6500 TN Nursing	
TEXAS	
Justin Andrews 11811 Sutter Avenue Yucaipa, California 92399 909-248-7674 TX6 Nursing	<u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66 th Street Cave Creek, Arizona 85331 469-447-9354 TX2 Nursing
<u>R7 Careers LLC</u> Paul Ciulla & Julia Ciulla 29424 North 66 th Street Cave Creek, Arizona 85331 469-447-9354 TX5 Nursing	<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crofts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 TX4 Nursing
<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crofts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 TX3 Nursing	<u>Imagine More Consulting, Inc.</u> Sandra Gallina-Gruner 16 Cassidy Drive Greenbrier, Arkansas 72058 945-218-2828 TX7 Allied

<u>BS Consulting, LLC</u> Betty Alison Ford & Shannon Crotts 148 Jack Daniel Road Manson, North Carolina 27553 623-264-0200 469-447-9351 TX7 Nursing	<u>Duval Executive Recruiting, LLC</u> Lindsay Weakley & Michael Duval 11302 Fannin Trail Court Needville, Texas 77461 346-577-9292 TX3 Allied
<u>Golden Recruiting, Inc.</u> Rachel Brown 3501 McKinley Village Way Sacramento, California 95816 916-610-1455 TX5 Allied	<u>WKLF Capital Inc</u> Wendy R. Ford 401 Cold Springs Court Keller, Texas 76248 682-339-2044 TX2 Allied

Franchisees who had signed a franchise agreement, but whose outlet had not yet opened as of December 31, 2022:

FLORIDA	
Haripriya Dondapati 740 Stone Oak Drive Sanford, Florida 32771 321-461-2002 FL1 Nursing	Haripriya Dondapati 740 Stone Oak Drive Sanford, Florida 32771 321-461-2002 FL3 Nursing
NORTH CAROLINA	
<u>M. Nicole Saffell, LLC</u> M. Nicole Saffell 248 Mother Vineyard Road Manteo, North Carolina 27954 252-668-6883 NC Nursing	

FORMER FRANCHISEES
 As of December 31, 2022

CALIFORNIA	
Lance Richard Wagner 15315 La Alameda Drive Morgan Hill, California 95037 408-838-2044 <i>CA6 Nursing opened by franchisee and later reacquired by Franchisor in 2022</i>	

FLORIDA

Wardell Enterprises, LLC

Renee Wardell & Brian Wardell

1946 Belwood Drive

Okemos, Michigan 48864

469-310-1011

*FL2 Nursing transferred to Ford & Crofts in
2022*

EXHIBIT G

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. 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.

3. Item 3 is amended to add:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 5 is amended to add:

The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

5. Item 17 is amended to state:

- (a) California Business and Professions Code Sections 2000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- (b) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
- (c) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
7. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
8. The highest interest rate allowed by law in California is 10% annually.
9. The franchise agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.
10. Exhibit H of the Disclosure Document contains acknowledgments in Paragraphs 1 through 9 and 12, which are impermissible under the California Franchise Investment Law. No franchisee in California is required to acknowledge these statements and any acknowledgment thereof will not be enforceable.
11. The terms of Items 5 and 11 of this Disclosure Document have been negotiated with other franchisees. A copy of all Negotiated Sales Notices filed in California in the last twelve months is attached on the following pages of this Exhibit G.

STATE OF CALIFORNIA – DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
**FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE
UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS**



Department of Financial Protection and Innovation

File No. app-23793

(Insert file-number of currently effective franchise registration)

STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

- 1. (a) Name of FILER: i4 Franchise Development Inc.
- (b) The above-named filer is filing as a (check one):
 FRANCHISOR SUBFRANCHISOR
- (c) If FILER is a SUBFRANCHISOR, the name of FRANCHISOR:

- 2. (a) Name of FRANCHISE: i4 Search Group
- (b) Contact Person: Scott Butts
- (c) Address: 7185 Liberty Centre Drive, Suite A
West Chester, Ohio 45069
- (d) Telephone: (513) 860-0600

- 3. A. (a) Offering Circular Item Number: 5
- (b) Description of Provisions in Currently Registered Offering Circular:
Initial Franchise Fee is due in a lump sum
- (c) Description of Change: Franchisor allowing payment of the initial franchise fee in
19 installments: 1 @ \$5,000 - 18 @ \$2,500

- B. (a) Offering Circular Item Number: 11
- (b) Description of Provisions in Currently Registered Offering Circular:
mandatory in-person training at corporate locations
- (c) Description of Change: option to attend remotely at Franchisee's expense

- C. (a) Offering Circular Item Number: _____
- (b) Description of Provisions in Currently Registered Offering Circular:

- (c) Description of Change: _____

(If additional space is needed, attach separate sheet (s) with respect to each additional item being changed using the above format)

STATE OF CALIFORNIA – DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE
UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS

DFPI-310.100.2 (Rev. 11-20) Page 2 of 2

4. Date of Sale of Negotiated Franchise: 8/25/2022

5. Name, title, business address and telephone number of individual to be contacted by the Department regarding this notice:

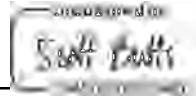
Name: Scott Butts

Title: President

Business Address: 7185 Liberty Centre Drive, Suite A, West Chester, OH, 45069

Telephone: (513) 860-0600

6. Date of this notice : 9/8/2022



Authorized Signature

Scott Butts

Printed Name of Signatory

ADDENDUM TO THE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Item 5 of the Franchise Disclosure Document is amended to state all initial franchise fees are deferred until Franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Fees section of the Franchise Agreement is amended to state all initial franchise fees are deferred until Franchisor has satisfied its pre-opening obligations to franchisee and the franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 19 of the Franchise Agreement and Section 19 of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

**ADDENDUM TO THE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for i4 Franchise Development Inc.'s Franchise Disclosure Document.

1. Item 5 of the Disclosure Document is amended to state: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

2. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for i4 Franchise Development Inc.'s Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. The provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. The Franchise Agreement and Franchisee Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

6. This franchise agreement provides that disputes are resolved through mediation and arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. The Fees section of the Franchise Agreement is hereby amended to state, "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

DISCLOSURE 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 franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
- (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) 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 the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this day of _____, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. The appropriate section of the Franchise Agreement which provides for waiver of a jury trial is hereby deleted in accordance with Minn. Rule 2860.4400J.

7. The appropriate section of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement are hereby amended accordingly.

10. Item 5 of the Disclosure Document and Article 6 of the Franchise Agreement are amended to state: "In the State of Minnesota, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and your business is open and operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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

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

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association

or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

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

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

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

The parties hereto have duly executed, sealed and delivered this Addendum dated _____
_____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for i4 Franchise Development Inc. for use in the Commonwealth of Virginia shall be amended as follows:

- 1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE
AGREEMENT REQUIRED BY THE STATE OF WASHINGTON**

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

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

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

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

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

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

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

Attachment 4 to the Franchise Agreement (General Release) is hereby amended to provide that the release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

Item 5 of the Franchise Disclosure Document (Initial Fees) and Section 6 of the Franchise Agreement (Fees) are hereby amended to state the franchisor will defer collection of the initial

franchise fee until franchisor has fulfilled its initial pre-opening obligations to you and you are open for business.

Section 9.5 of the Franchise Agreement (No Liability/Waiver of Claims) is hereby amended by deleting the last sentence thereof.

Section 16.3.6 of the Franchise Agreement is hereby amended to delete the following from the last sentence thereof:

“, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee”

Section 17.5 of the Franchise Agreement (Notice to Suppliers) is hereby deleted in its entirety.

Section 20.7 of the Franchise Agreement (Limitations of Claims) is hereby deleted in its entirety.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.

The undersigned does hereby acknowledge receipt of this addendum dated this day of _____.

FRANCHISEE:

FRANCHISOR:
i4 FRANCHISE DEVELOPMENT INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

PRINCIPALS:

Name: _____

Name: _____

EXHIBIT H

ACKNOWLEDGMENT STATEMENTS

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

****NOT FOR USE IN CALIFORNIA, MARYLAND, AND WASHINGTON****

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor’s Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee acknowledges that it has received the i4 Franchise Development Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee’s advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor’s obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee’s Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE’S AND SUCH PRINCIPAL’S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE i4 FRANCHISE DEVELOPMENT INC., i4 SEARCH GROUP LLC, AND ANY OF THE ABOVE’S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES’ DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

Initial

PRINCIPALS:

FRANCHISEE:

Signature
Name: _____
Date: _____

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

Signature
Name: _____
Date: _____

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

****FOR USE BY WASHINGTON FRANCHISEES ONLY****

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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.

Acknowledgement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business.

Initial

7. Franchisee acknowledges that it has received the i4 Franchise Development Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee’s advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor’s obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee’s Territory by others who may have purchased such products from Franchisor.

Initial

PRINCIPALS:

FRANCHISEE:

Signature
Name: _____
Date: _____

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

Signature
Name: _____
Date: _____

State Effective Dates

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

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

State	Effective Date
California	<i>Pending</i>
Hawaii	<i>Pending</i>
Illinois	<i>Pending</i>
Indiana	August 25, 2022, amended <i>Pending</i>
Maryland	
Michigan	February 17, 2022
Minnesota	<i>Pending</i>
New York	November 24, 2021, amended <i>Pending</i>
Virginia	<i>Pending</i>
Wisconsin	<i>Pending</i>

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 Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If i4 Franchise Development Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If i4 Franchise Development Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Scott Butts 7185 Liberty Centre Drive, Suite A West Chester, Ohio 45069 513-860-0600

Issuance Date: April 19, 2023

I received a Disclosure Document dated April 19, 2023, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Deposit Agreement
- EXHIBIT D: Financial Statements
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Franchised Outlets and Former Franchisees
- EXHIBIT G: State Addenda
- EXHIBIT H: Acknowledgment Statements

Date Received: _____
(If other than date signed)

Date: _____

(Signature of recipient)

Print Name: _____

Legal residence address

KEEP FOR YOUR RECORDS

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Please return signed receipt to: Scott Butts at i4 Franchise Development Inc.
7185 Liberty Centre Drive, Suite A
West Chester, Ohio 45069