

# FRANCHISE DISCLOSURE DOCUMENT



Resource Operations International LLC d/b/a Preveer  
A Florida Limited Liability Company  
2121 Vista Parkway  
West Palm Beach, FL 33411  
(888) 816-6749  
support@resourceoperationsinternational.com

As a franchisee of Resource Operations International, LLC d/b/a Preveer (“Preveer”), you will help businesses contract out various services, including technology, back office, creative, and professional services.

The total investment necessary to begin operation of a Preveer business is from \$53,549 to \$77,499. These amounts include \$49,999 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact a Franchise Development Specialist at 2121 Vista Parkway, West Palm Beach, FL 33411, (888) 816-6749.

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 contracts 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, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issue date: October 25, 2021

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Short Operating History.** The 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 in a system with a longer operating history.
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. **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.
5. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted.

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

**THE FOLLOWING APPLY TO  
TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (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 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 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 a good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

(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.**

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Franchise Section  
G. Mennen Williams Building, First Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
Telephone Number: (517) 373-7117

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### ATTACHED EXHIBITS

Exhibit A	Franchise Agreement with Schedules and State Addenda
Exhibit B	Financial Statements
Exhibit C	Table of Contents for Operations Manual
Exhibit D	Agents for Service of Process/State Administrators
Exhibit E	General Release
Exhibit F	List of Current and Former Franchisees
Exhibit G	Deposit Receipt
Exhibit H	Compliance Certification
Exhibit I	Nondisclosure and Noncompetition Agreement
Exhibit J	State Addenda to Disclosure Document
Exhibit K	State Effective Dates
Exhibit L	Disclosure Document Receipt

## **ITEM 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language of this Disclosure Document, “we”, “us,” or “our” refers to Resource Operations International LLC d/b/a Preveer. “You” means the person, including any owner, partner or corporation who is looking at our franchise.

Our name is Resource Operations International LLC d/b/a Preveer. Our principal business address is 2121 Vista Parkway, West Palm Beach, Florida 33411. We use the names “Preveer,” “Resource Operations International” and “ROI”. We do not intend to use any other names to conduct business.

Our agent for service of process in Florida is Mark D. Nichols, whose business address is 2121 Vista Parkway, West Palm Beach, Florida 33411. Our agents for service of process in other states are disclosed in Exhibit D.

We are a Florida limited liability company. We were formed on April 1, 2019. Our parent company is UFG Holdings Group, LLC, a Florida limited liability company whose business address is the same as ours.

We have no predecessors.

#### **Information About Our Business and the Franchises Offered**

We have offered franchises since January 2020. We do not operate businesses of the type being franchised. We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will help businesses contract out various services, including technology, back office, creative, and professional services. You will operate in a “Designated Market Area” containing at least 8,000 registered businesses.

We have a network of approved vendors who provide outsourced services. We will work with the vendors to determine prices of the services they offer. You will act as a consultant to business clients on their needs, and then you will select an appropriate vendor from our network to fulfil the needs of your business clients.

All transactions will be handled through our unique Customer Relationship Management (“CRM”) portal. When you initiate a project for a client, the client will pay (through the CRM) the agreed purchase price for the project (the “Purchase Price”). The CRM will forward an 8% royalty fee on the Purchase Price to us, and the balance remains held until the project is completed (or a benchmark/specified date is met regarding the agreed upon payment schedule). When you indicate the project is complete or a benchmark/specified date is met regarding the agreed upon payment schedule, the CRM forwards the vendor’s portion (the “Vendor Charge”) to the vendor, and the remaining amount to you.

The general market for this business is broad and would include any business that would need to cut costs and save money on different products/services or implement new solutions to generate more profits. This market is mature and developed, although the particular business system incorporated into the franchise is differentiated from others in the market. Our clients are primarily business owners. Sales are not seasonal.



You will compete against web-based companies, national chains, and independent owners offering cost reduction analysis services. Some of these competitors are franchised.

### Laws and Regulations

We are not aware of any laws or regulations specific to our industry. You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. Should you wish to offer professional services for your clients, it may be necessary for you to have a professional license in each state in which you perform the services. You should consult with a legal advisor about legal requirements that may apply to your business, including accepting money for professional services which require a license.

### Affiliates

We are a member of United Franchise Group, an affiliated group of companies located at 2121 Vista Parkway, West Palm Beach, Florida 33411 whose franchising companies are:

1. **Sign\*A\*Rama Inc.** (“Signarama”), a franchisor of retail sign centers, that has been in franchising since April 1987 and currently has 707 locations in 36 countries;
2. **EmbroidMe.com, Inc. d/b/a Fully Promoted** (“Fully Promoted”), a franchisor of retail stores for online marketing services, print marketing and branded products including embroidered logoed apparel, that has been in franchising since September 2000 and currently has 273 locations in 9 countries. In January 2017, our affiliate Fully Promoted modified the principal trademark for the retail stores from “EmbroidMe” to “Fully Promoted” and currently has franchises operating as EmbroidMe stores, franchises operating as Fully Promoted stores and franchises in the process of transitioning their operation as EmbroidMe stores to Fully Promoted stores;
3. **Transworld Business Advisors, LLC** (“TBA”), a franchisor of business brokerage agencies that also provide franchise referral lead services that has been franchising since December 2010 and has agencies operating in 328 territories in 9 countries;
4. **J.S. Subs, LLC d/b/a Jon Smith Subs** (“JSS”), a franchisor of restaurants offering made-to-order submarine sandwiches, grilled sandwiches, salads and other related foods and beverages that has been franchising since February 2016 and currently has 17 locations in 5 countries;
5. **Venture X Franchising, LLC** (“VTX”), a franchisor of co-working, collaborative office facilities, that has been franchising since March 2016 and currently has 39 locations in 4 countries;
6. **Great Greek Franchising, LLC** (“TGG”), a franchisor of fast-casual restaurants specializing in Greek and Mediterranean food that has been franchising since January 2018 and currently has 17 locations;
7. **Network Lead Exchange, LLC** (“NLX”), a franchisor of an online business networking site organized by local chapters, has been franchising since January 2019 and currently has 17 chapters; and
8. **Graze Craze Franchising, LLC** (“GCZ”), a franchisor of stores offering grazing and charcuterie style cuisine. It has been franchising since June 2021 and currently has 4 locations. The location and territory information disclosed above for our affiliates NLX and GCZ is as of June 30, 2021. The location and territory information disclosed above for our affiliate TGG is as of April

30, 2021. The location and territory information disclosed above for our affiliates Signarama, Fully Promoted, JSS, VTX and TBA is as of December 31, 2020. Except as described above, none of our affiliates offer, and we have not offered, franchises in any other line of business. None of our affiliates operate a business that is similar to Preveer.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **Ray Titus – Chief Executive Officer – West Palm Beach, FL**

- Chief Executive Officer of GCZ since March 2021; Preveer since August 2019; NLX since July 2018; TGG since November 2017; Paramount Franchising, LLC (“PTA”), a franchisor of tax preparation businesses in West Palm Beach, FL, from June 2017 to March 2018; JSS since April 2015; Experimax Franchising, LLC (“EXM”) a franchisor of retail computer stores that buy, sell, repair and refurbish pre-owned electronics in West Palm Beach, FL from June 2013 to August 2021; SuperGreen a franchisor of businesses offering sustainability advisory services, energy auditing, sustainability planning, and energy efficient products and services in West Palm Beach, FL from October 2010 to December 2020; and Signarama since January 2008.
- Managing Member of VTX since September 2015.

#### **Brady Lee – Chief Operating Officer – West Palm Beach, FL**

- Chief Operating Officer of GCZ, Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since June 2020, EXM in West Palm Beach, FL from June 2020 to August 2021, and SuperGreen in West Palm Beach, FL from June 2020 to December 2020.
- President of EXM from November 2020 to May 2021 and Accurate Franchising, Inc., a consulting business in West Palm Beach, FL from January 2019 to June 2020.
- Director of Sales in Sydney, Australia for NLX, TGG, JSS, VTX, EXM, SuperGreen, TBA, Fully Promoted and Signarama from March 2018 to January 2019.
- Vice President of Franchise Development for EXM, SuperGreen, TBA, Fully Promoted and Signarama from October 2016 to March 2018.
- Regional Manager of EXM from October 2014 to October 2016.

#### **Todd Newton – Chief Financial Officer – West Palm Beach, FL**

- Chief Financial Officer of GCZ since March 2021; Preveer since August 2019; NLX since July 2018; TGG since November 2017; PTA in West Palm Beach, FL from June 2017 to March 2018; VTX since September 2015; JSS since April 2015; EXM in West Palm Beach, FL from June 2013 to August 2021; TBA since October 2010; SuperGreen in West Palm Beach, FL from October 2010 to December 2020 and Fully Promoted and Signarama since January 2007.

#### **Dan Bonner – Brand Leader – West Palm Beach, FL**

- Brand Leader of Preveer since October 2021.
- Director of Vendor Support and Facilities of GCZ from May 2021 to September 2021; TGG, JSS, Fully Promoted and Signarama from May 2020 to September 2021; and EXM in West Palm Beach, FL from May 2020 to August 2021.
- Director of Operations of EXM from January 2016 to January 2019; and VTX, JSS, and SuperGreen from January 2016 to December 2016.

**Walter Seltzer – *International Director – West Palm Beach, FL***

- International Director of GCZ since May 2021; Preveer, NLX, TGG, VTX, JSS, TBA, Fully Promoted and Signarama since November 2020; and EXM in West Palm Beach, FL from November 2020 to August 2021.
- Senior Executive of Preveer from August 2019 to November 2020; NLX from January 2019 to November 2020; TGG from November 2017 to November 2020; PTA in West Palm Beach, FL from June 2017 to March 2018; and JSS, EXM, SuperGreen, TBA, Fully Promoted and Signarama, from January 2017 to November 2020.
- President of JSS from April 2015 to February 2017.

**A.J. Titus – *Senior Executive – West Palm Beach, FL***

- Senior Executive of GCZ since May 2021; and ROI, NLX, TGG, VTX, JSS, EXM, TBA and Fully Promoted since November 2020.
- President of Signarama since March 2018.
- Executive Vice President of Signarama from July 2017 to February 2018.
- Sales Manager of Signarama from January 2017 to June 2017.
- Operations Manager of Signarama from March 2015 to December 2016

**Tipton Shonkwiler – *Senior Executive – West Palm Beach, FL***

- Senior Executive of GCZ since May 2021, Preveer and NLX since November 2020; TGG, VTX, JSS, TBA, Fully Promoted and Signarama, TBA, SuperGreen, VTX, JSS and TGG since January 2020, SuperGreen in West Palm Beach, FL from January 2020 to December 2020, and EXM in West Palm Beach, FL from January 2020 to August 2021.
- Director of Global Sales of EXM and Fully Promoted from January 2020 to November 2020.
- International Director of NLX from January 2019 to December 2019; TGG from November 2017 to December 2019; PTA in West Palm Beach, FL from June 2017 to March 2018; and VTX, JSS, EXM, SuperGreen, TBA, Fully Promoted and Signarama from December 2015 to December 2019.

**Nick Bruckner – *Senior Vice President of Sales – West Palm Beach, FL***

- Senior Vice President of Sales of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017; VTX since December 2015; TBA since February 2015; SuperGreen in West Palm Beach, FL from February 2015 to December 2020; EXM in West Palm Beach, FL from July 2014 to August 2021; and Fully Promoted since October 2004; and Signarama since January 2000.

**Michael White – *Director of Sales and Chief Revenue Officer – Durham, NC***

- Chief Revenue Officer of GCZ since May 2021; Preveer, NLX, TGG, VTX, JSS, EXM, TBA, Fully Promoted and Signarama since November 2020; and EXM in West Palm Beach, FL from November 2020 to August 2021.
- Director of Sales of Preveer since January 2020; NLX since January 2019; TGG, VTX, JSS, EXM, TBA, Fully Promoted and Signarama since September 2018; and SuperGreen in West Palm Beach, FL from September 2018 to December 2020.
- Senior Executive Vice President of TGG, VTX, JSS, EXM, SuperGreen TBA, Fully Promoted and Signarama from December 2017 to August 2018; and of PTA in Durham, NC from December 2017 to March 2018.

- Executive Vice President of TGG from November 2017 to December 2017; PTA in Durham, NC from June 2017 to December 2017; and VTX, JSS, EXM, SuperGreen, TBA, Fully Promoted and Signarama from December 2015 to December 2017.

**Michal Gardiner – Brand Consultant – West Palm Beach, FL**

- Brand Consultant of the Company since January 2020.
- Chief Executive Officer of MG Social Marketing Inc. a marketing company in Stuart, FL previously known as Nomad Solutions since January 2015.
- Technology Instructor of Society of Four Arts, a library in Palm Beach, FL from August 2018 to January 2019.

**Sean Oatney – Executive Vice President – Monument, CO – Mountain Region**

- Executive Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017 SuperGreen in West Palm Beach, FL from June 2017 to December 2020; VTX, JSS, TBA, Fully Promoted and Signarama since June 2017; EXM in West Palm Beach, FL from June 2017 to August 2021; and PTA in Monument, CO from June 2017 to March 2018.
- Regional Vice President of VTX, JSS, EXM, SuperGreen, TBA, Fully Promoted and Signarama from January 2017 to June 2017.
- Executive Vice President of EXM from January 2016 to December 2016 and JSS, VTX, SuperGreen, TBA, Fully Promoted and Signarama from December 2015 to December 2016.

**Eric Brewstein – Regional Vice President – Maple Glen, PA – Mid-Atlantic Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017; PTA in Maple Glen, PA from June 2017 to March 2018; JSS, VTX, TBA, Fully Promoted and Signarama since January 2017; EXM in West Palm Beach, FL from January 2017 to August 2021; and SuperGreen in West Palm Beach, FL from January 2017 to December 2020.
- Head of Sales and Co-founder of The Bacon Jams, LLC, a specialty food company in Westchester, PA from September 2013 to March 2016.

**Nathan Dove – Regional Vice President – Houston, TX – South Texas Region**

- Regional Vice President of GCZ, Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since August 2021.
- Franchise Development Manager of Delta Life Fitness, a fitness company in Mgnolia, TX from December 2020 to August 2021.
- District Manager of Securitas Security, a security company in Cypress, TX from August 2020 to December 2020.
- General Manager of 24 Hour Fitness, a fitness company in Spring, TX from March 2017 to August 2020.
- Franchisee of Subway, a fast food restaurant in Huntsville, TX from June 2013 to March 2017.

**John Fleming – Regional Vice President – Monroe, WA –Western Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; TGG, VTX, JSS, TBA, Fully Promoted and Signarama NLX since April 2019; EXM in West Palm Beach, FL from April 2019 to August 2021; and SuperGreen in West Palm Beach, FL from April 2019 to December 2020.

- Director of Business Development of RGP Resource Global Professionals, a consulting business in Seattle, WA from April 2017 to April 2018.
- Director of Sales and Marketing of Dirtfish, a hospitality company in Snoqualmie, WA from March 2014 to October 2016.

**Thomas Flood – Regional Vice President – Long Island/New York City Region**

- Regional Vice President of GCZ since May 2021; Preveer , NLX, TGG, VTX, JSS, TBA, Fully Promoted and Signarama since June 2020; EXM in West Palm Beach, FL from June 2020 to August 2021; and SuperGreen in West Palm Beach, FL from June 2020 to December 2020.
- Vice President of Billups, Inc., an advertising agency in New York, NY from February 2017 to May 2020.
- Senior Vice President of Wilkins Media, an advertising agency in New York, NY from August 2012 to January 2017.

**Mark Lewis – Regional Vice President – Suwanee, Georgia –Southeast Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX, TGG, VTX, JSS, TBA, Fully Promoted and Signarama since December 2019; EXM in West Palm Beach, FL from December 2019 to August 2021; and SuperGreen in West Palm Beach, FL from December 2019 to December 2020.
- District Sales Manager of ADP a technology sales company in Atlanta, GA from August 2019 to October 2019.
- Regional Manager of Enterprise Holdings a rental car company in Atlanta, GA from September 2000 to March 2019.

**Walter Miska – Regional Vice President – Ayer, MA – New England Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; and TGG, JSS, VTX, TBA, Fully Promoted and Signarama since December 2018; EXM in West Palm Beach, FL from December 2018 to August 2021; and SuperGreen in West Palm Beach, FL from December 2018 to December 2020.
- Owner of Escape Rooms, an entertainment business in Ayer, MA from September 2016 to December 2018.
- Owner of Beer Geek, a retail franchise in Westford, MA from October 2013 to May 2017.

**Dan Morgenstern – Regional Vice President – Charlotte, NC Carolinas Region**

- Regional Vice President of GCZ, Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since August 2021.
- Vice President of Sales of the McClatchy Company, a media company in Charlotte, NC from April 2016 to August 2021.

**Dan Nemunaitis – Regional Vice President – Crystal Lake, IL –Midwest and Chicago Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017; VTX since December 2015; TBA since February 2015; EXM in West Palm Beach, FL from February 2015 to August 2021; SuperGreen in West Palm Beach, FL from January 2014 to December 2020; Fully Promoted since December 2013; and Signarama since November 2011.

**Evan Opel – Regional Vice President – Midlothian, VA – Mid-Atlantic Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017; PTA in Midlothian, VA from June 2017 to March 2018; JSS, VTX, TBA, Fully Promoted and Signarama since December 2015; EXM in West Palm Beach, FL from December 2015 to August 2021; and SuperGreen in West Palm Beach, FL from December 2015 to December 2020.

**Paul Scales – Regional Vice President – Delaware, OH – Columbus Region**

- Regional Vice President of GCZ since May 2021; Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since February 2020; EXM in West Palm Beach, FL from February 2020 to August 2021; and SuperGreen in West Palm Beach, FL from February 2020 to December 2020.
- Regional Vice President of Atalian Global Services, a facility services company in Columbus, OH from April 2019 to October 2019.
- President and Founder of The Cleaning Pros, a facility services company in Cleveland, OH from October 2017 to April 2019.
- Vice President of System 4 LLC, a facility services and franchise sales company in Independence, OH from January 2006 to September 2017.

**Jeffrey Thompson – Regional Vice President – Newport Beach, CA – Western Region**

- Regional Vice President of GCZ since May 2021; Preveer since January 2020; NLX since January 2019; TGG since November 2017; PTA in Newport Beach, CA from June 2017 to March 2018; JSS, VTX, TBA, Fully Promoted and Signarama since January 2016; EXM in West Palm Beach, FL from January 2016 to August 2021; and SuperGreen in West Palm Beach, FL from January 2016 to December 2020.
- Owner of T & H Foundations, a decorative cement and cement furniture fabricator in St. Charles, MO from January 1996 to January 2015.

**Andrew Titus – Regional Vice President – West Palm Beach, FL – South Florida Region**

- Regional Vice President of GCZ since May 2021; Preveer, NLX, TGG, JSS, VTX, TBA Fully Promoted, and Signarama since March 2020; EXM in West Palm Beach, FL from March 2020 to August 2021; and SuperGreen in West Palm Beach, FL from March 2020 to December 2020.
- Regional Manager of Preveer, NLX, TGG, JSS, VTX, EXM, SuperGreen, TBA, Fully Promoted and Signarama from August 2019 from January 2020 to March 2020.

**Alan Van Campen – Regional Vice President – Suwanee, GA – Georgia Region**

- Director of Sales of GCZ since May 2021.
- Regional Vice President of Preveer since January 2020; NLX since January 2019; TGG since November 2017; PTA in Suwanee, GA from October 2017 to March 2018; VTX, TBA, Fully Promoted and Signarama since October 2017; EXM in West Palm Beach, FL from October 2017 to August 2021; and SuperGreen in West Palm Beach, FL from October 2017 to December 2020.

**Darin Vilhauer – Regional Vice President – Frisco, TX – Northern Texas Region**

- Regional Vice President of GCZ, Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since April 2021; and EXM in West Palm Beach, FL from April 2021 to August 2021.
- Director of Franchise Operations of General Nutrition Centers, a health and nutrition retail business in Pittsburgh, PA from August 2005 to April 2020.

**Preston Welch – Regional Vice President – Southeast Region**

- Regional Vice President GCZ, Preveer, NLX, TGG, JSS, VTX, TBA, Fully Promoted and Signarama since August 2021.
- Sales Manager of Govspend a Tech company in Deerfield Beach, FL from March 2020 to August 2021.
- Broker/Sales Trainer at SmartProcure, a Tech company in Deerfield Beach, FL from October 2018 to October 2019.
- Manager Partner of Welch & Associates, a Tech company in Ft. Lauderdale, FL from March 2017 to October 2018.
- Sales representative of SmartProcure, a Tech company in Deerfield Beach, FL from February 2015 to March 2017.

**Lowell S. Dunn III – Regional Manager – Hopatcong, NJ – Northeastern Region**

- Regional Manager of GCZ, Preveer, NLX, TGG, JSS, VTX, EXM, TBA, Fully Promoted and Signarama since June 2021
- Vice President of Sales of SndRight LLC, a digital communication company in Lynchburg, VA from February 2020 to May 2021.
- Vice President of TxtRed LLC, a digital communication company in Lynchburg, VA from August 2018 to May 2021.

**Alpha Khan – Sales Coordinator and Operations Manager – West Palm Beach, FL**

- Sales Coordinator and Operations Manager of Preveer since March 2021.
- Business Advisor of Generational Equity, a mergers and acquisitions firm in Davie, FL from November 2020 to March 2021.
- Financial Consultant/Owner of Monveot Business Consulting, a business consulting company in Lancaster, PA from August 2016 to March 2021
- Business Banker of Wells Fargo, a financial institution in Reading, PA from June 2016 to December 2018.

**Shane Lee – Sales Coordinator – West Palm Beach, FL**

- Sales Coordinator of ROI since January 2020; and VTX since September 2019.
- Franchise Development Representative of TGG, JSS, VTX, EXM, SuperGreen, TBA, Fully Promoted and Signarama from May 2018 to August 2018.

**ITEM 3**

**LITIGATION**

A. Pending Litigation: None

B. Litigation Against Franchisees Commenced in the Past Fiscal Year: None

C. Completed Litigation: None

D. Restrictive Orders:

The following injunctive order relates to Signarama, an affiliate of the Company and covers certain directors, officers and employees of Signarama.

Federal Trade Commission, Plaintiff, v. Minuteman Press International, Inc., Speedy Sign-A-Rama, USA, Inc., Roy W. Titus and Jeffrey Haber, Defendants (CV 93-2496) Filed on June 4, 1993, in the United States District Court, Eastern District of New York. The Federal Trade Commission complaint alleged that the Defendants violated Section 5(a) of the Federal Trade Commission Act and the Commission's Franchise Rule (16 CFR Part 436) by falsely representing to prospective franchisees potential gross sales levels and profitability of their franchise units, failing to disclose the obligation to pay a substantial transfer fee on the resale of the franchise, and by making earnings claims without proper documentation and in contradiction of statements in their disclosure documents. On December 18, 1998, an injunction was filed prohibiting the Defendants excluding Haber from doing the following: A. Making, or assisting in the making of, expressly or by implication, orally or in writing, to any prospective franchisee any statement or representation of past, present or future sales, income, or gross or net profits of any existing or prospective franchisee or group of franchisees, unless at the time of making such representation the defendant possesses written material that provides a reasonable basis for the representation. B. Violating any provision of the Franchise Rule 16 C.F.R. Part 436 or the Rule as it may later be amended and the disclosure requirements of the UFOC in effect at the time. C. Assessing or collecting a transfer/training fee from any franchisee who sells or assigns its franchise unless the selling franchisee received a copy of a disclosure statement indicating that such fee would be charged. D. Failing to monitor and investigate any complaints about compliance with the rule or the injunction. E. To cooperate with the Commission in the enforcement of this injunction.

The following order relates solely to Signarama:

Signarama entered into a consent order with the Securities Commissioner of Maryland in January of 1996. The matter is captioned In the Matter of Speedy Sign-A-Rama, USA, Inc., Case No. S-95-112. It is alleged in the consent order that Signarama sold four franchises in the State of Maryland after its registration under the Maryland Franchise Law had lapsed, and before it was renewed. In settlement of the matter, and while neither admitting nor denying the findings in the order, Signarama agreed to offer rescission to the four franchisees, adopt a compliance program intended to avoid unregistered sales and disclose the existence of the order in its franchise disclosure document under the Maryland Franchises Law.

The following order relates solely to TGG.

TGG entered into a consent order with the State of California, and its Department of Financial Protection and Innovation, in August 2021. It is alleged in consent order that since TGG did not have a guarantor during October 18, 2018 to August 20, 2020, TGG's failure to defer the collection of initial franchise fees until all pre-opening obligations were completed and the franchisees commenced doing business was a violation of Section 31200. In settlement of the matter, TGG agreed to desist and refrain from the violations of Corporations Code section(s) 31200, 31203, and Rule 310.122.1, pay an administrative penalty, and offer rescission to each of the franchisees who purchased a franchise from October 18, 2018 to August 20, 2020. As of August 20, 2020, TGG is a franchisor in good standing with the State of California.

Other than these actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4**

#### **BANKRUPTCY**

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



## **ITEM 5**

### **INITIAL FEES**

When you sign your franchise agreement, you must pay us \$29,500 as the franchise fee. Prior to executing the Franchise Agreement, you will be required to pay a \$5,500 deposit, commonly referred to as a “binder,” to reserve your Designated Marketing Area while you are investigating the purchase of this franchise. At least 14 days prior to paying this binder, we will provide you with a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the sale. This binder is fully refundable if you do not purchase a franchise. When you enter into your Franchise Agreement the initial franchise fee (less the binder already paid) is due. The initial franchise fee is non-refundable.

In addition to the initial franchise fee, you must purchase an initial Marketing and Equipment Package from us as further described in Item 7. The cost of the Marketing and Equipment Package is \$20,499 plus taxes. The costs of the Marketing and Equipment Package is due at closing and are nonrefundable.

Eligible United States military veterans will receive a discount of 10% off the standard franchise fee or 5% off the standard transfer fee. An eligible veteran is a veteran who has received an honorable discharge.

If you are an existing franchisee and wish to purchase an additional Designated Marketing Area, you will pay a reduced non-refundable franchise fee of \$14,500 for an additional Designated Marketing Area. If you purchase more than one Designated Marketing Area, you must enter into the then standard form of Preveer franchise agreement for each Preveer Designated Marketing Area.

The initial franchise fee is non-refundable. Except as described above, generally, the initial franchise fee is uniformly charged. In fiscal year 2021, we entered into a franchise agreement in which we agreed to allow the franchisee to pay the initial franchise fee over a limited period of time and waived the initial Marketing and Equipment Package fee of \$3,046.

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**ITEM 6**

**OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Royalty Fee <sup>1, 3</sup>	8% of Gross Revenues <sup>3</sup> , but not less than the following amount in any calendar month: \$300 - months 1-12 \$600 - months 13-24 \$900 - after 24 months	Upon receipt of payment by the business client; if the monthly minimum is not met, the balance is due on the 5 <sup>th</sup> day of the following month	The minimum monthly royalty can be increased at our discretion by up to 10% but not more frequently than once every three years and increase must apply to all Preveer franchises. You are responsible for the minimum monthly royalty beginning on the first month following the completion of franchisee's marketing set up.
Marketing Fund Contribution <sup>1,3</sup>	2% of Gross Revenues <sup>3</sup> , or \$250 per month (whichever is greater)	Monthly, on the 5 <sup>th</sup> day of the following month	The minimum monthly fee can be increased by up to 10% but not more frequently than once every three years and increase must apply to all Preveer franchises.
Technology Fee <sup>4</sup>	Currently, \$75 per month for the first user and \$25 per month for each additional person.	Monthly, on the 5 <sup>th</sup> day of the following month	We may increase the user fee to reasonably reflect our internal and external costs.
Transfer Fee <sup>2</sup>	\$9,500, or the then current transfer fee	Prior to consummation of transfer	Payable if you sell your business.
Renewal Fee <sup>2</sup>	\$1,500	30 days before renewal	Payable if you enter into a successor franchise agreement at the end of your agreement term.

Late Fee	18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	If we cannot collect an amount you owe by deducting it from payments in the CRM (because payments in the CRM are insufficient or for any other reason), you must make such payment immediately on demand.
Costs of collection	Our actual costs	On demand	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our willful misconduct or gross negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding, the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

All fees are imposed and collected by us, and only payable to us, and are nonrefundable unless otherwise indicated. Generally, all fees are uniformly imposed on our franchisees, however, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee for a limited period of time. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Item 6 Notes

1. All transactions will be handled through our unique Customer Relationship Management (“CRM”) portal. The business client will pay for projects through the CRM. When the client pays for a project, the CRM will forward us the Royalty Fee. When the client’s project is complete or a benchmark/specified date is met regarding the agreed upon payment schedule, CRM will pay the vendor’s charge to the vendor, and will pay the remaining balance to you. We reserve the right to deduct any other fees and amounts that you owe us before the CRM pays any amount to you.
2. If you purchase more than one Designated Marketing Area, you must enter into the then standard form of Preveer franchise agreement for each Preveer Designated Marketing Area. The Royalty Fee minimum, Marketing Fund Contribution minimum, Renewal Fee, and the Transfer Fee would separate for each franchise agreement that you sign.
3. “Gross Revenues” is defined in our franchise agreement as the entire amount of all of your revenues arising out of the ownership or operation of your franchise. It includes all amounts paid by a business client through the CRM, other than the Administration Fee. The revenues are determined regardless of whether they are evidenced by cash, credit, checks, services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Cash refunded or credit given to clients is to be deducted in computing gross revenue to the extent that such cash or credit represent amounts previously included in gross revenue on which royalty and marketing fees were paid.
4. The monthly Technology Fee covers hosting and maintenance of the CRM and your website, your email account, a Campaign Monitor account, and your video conference license associated with your profile in the CRM.

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## ITEM 7

### ESTIMATED INITIAL INVESTMENT

#### YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount		Method of payment	When due	To whom payment is to be made
Initial Franchise Fee	\$29,500	- \$29,500	Check or wire transfer	Upon signing the franchise agreement	Us
Marketing and Equipment Package <sup>1</sup>	\$20,499	- \$20,499	Check or wire transfer	Upon signing the franchise agreement	Us
Market Introduction Program	\$0	- \$1,500	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Computer Systems	\$0	- \$1,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Office Expenses <sup>2</sup>	\$0	- \$1,500	Check, debit, and/or credit	As incurred	Vendors; landlord
Marketing Materials	\$0	- \$500	Check, debit, and/or credit	Upon ordering	Vendors
Licenses and Permits	\$50	- \$500	Check	Upon application	Government
Insurance <sup>3</sup>	\$750	- \$2,000	Check, debit, and/or credit	As incurred	Insurance provider
Professional Fees (lawyer, accountant, etc.)	\$250	- \$2,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Additional funds (for first six months) <sup>4</sup>	\$2,500	- \$18,000	Varies	Varies	Employees, suppliers
<b>Total</b>	<b>\$53,549</b>	<b>- \$77,499</b>			

Except where noted otherwise, all amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we nor any of our affiliates offer any financing for any of your initial investment.

#### Item 7 Notes

1. The Marketing and Equipment Package is discussed in detail in Item 5 of this disclosure document.
2. You may operate your business from home. The high-end estimate assumes you lease an executive office space with space for one person.

3. This is our estimate of insurance for six months.
4. You will need capital to support your on-going expenses to the extent that these costs are not covered by sales revenue when you first open. This figure does not include sums necessary for living or personal expenses nor payments for any debt service. New businesses often generate a negative cash flow for a time. We estimate the amount given will be sufficient to cover on-going expenses for the start-up phase of your business that we calculate to be up to six months. However, this is only an estimate and we do not represent or guarantee, nor can we assure you, that additional capital will not be necessary during your start-up phase. Our estimate of the capital you will need to support your ongoing expenses during the start-up phase is based on our research and knowledge regarding establishing home-based businesses.

Your total initial investment is based on our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our knowledge of the business. We encourage you to seek the advice of your business advisor, accountant or attorney to help formulate a business plan and a methodology of your business operation. You must bear any deviation or escalation in costs from the estimates in this Item 7.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

#### **Generally**

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us, our designee, or from suppliers approved by us: or (2) according to our specifications.

The following are our current specific obligations for purchases and leases:

A. **Equipment Package.** As noted in Item 5, you must buy an equipment package from us or an approved supplier. The package contains all of the equipment, including computer hardware, software, marketing materials, and apparel you will need, except for a few items, to begin operation. The equipment package is further described in Schedule A attached to the Franchise Agreement. For the year ended June 30, 2020, our gross revenue from equipment package sales to franchisees was \$6,092 or 6.6% of our total revenue of \$91,865.

B. **Website and Email.** We are the only approved supplier for your Preveer website and email account. You pay us for these services through the Technology Fee (currently \$75 per month for one user and \$25 per month for each additional user). For the year ended June 30, 2021, our gross revenue from franchisee purchases of these services was \$0 or 0% of our total revenue of \$91,865.

C. **Service Providers.** We will determine the service providers that provide products and services to business clients through the CRM system.

D. **Insurance.** You must obtain insurance as described in the franchise agreement and in our operations manual. Our current requirements are: comprehensive general liability policy, a policy covering “all risk” of physical loss, and additional policies as may be required under your local laws or ordinances. We also recommend that you obtain cyber liability, data security and technology errors and omissions insurance. The insurance requirements are minimum requirements. You should consult with your local

insurance agent and legal counsel to ensure your franchise business is adequately insured, and that you have all insurance required by law and under the terms of any agreement to which you are a party.

#### Alternative Suppliers To Your Business

With respect to the suppliers of goods and services that you purchase: we have not negotiated purchase arrangements with suppliers, including price terms, for the benefit of franchisees. If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our System, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose).

With respect to the vendors that provide outsourced services for business clients through the CRM: we are solely responsible for obtaining and qualifying such vendors. You do not purchase any goods or services from these vendors, and therefore they are not considered a source of products or services for purposes of this Item 8.

#### Other

We estimate that the required purchases and leases of goods and services to establish your business are 50% to 80% of your total purchases and leases of goods and services to establish your business. We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

You pay us the Technology Fee for the CRM, your website, and your email.

No purchasing or distribution cooperative currently exists.

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

## 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 statement.**

	<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
a.	Site selection and acquisition/lease	Not applicable	Item 11
b.	Pre-opening purchase/leases	Article 8	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	Article 6	Items 5, 7 and 11
d.	Initial and ongoing training	Sections 5.1, 6.1, 7.5	Items 7 and 11
e.	Opening	Article 6	Item 11
f.	Fees	Article 4	Items 5, 6 and 7
g.	Compliance with standards and policies/operations manual	Sections 7.1, 7.2, 7.6, 8.1, 11.1, 11.7, 14.1, 15.2, 18.9	Items 8 and 11
h.	Trademarks and proprietary information	Article 12, Section 13.1	Items 13 and 14
i.	Restrictions on products/services offered	Section 7.3	Item 16
j.	Warranty and customer service requirements	Sections 7.3, 7.7, 7.15	Item 11
k.	Territorial development and sales quotas	Section 2.1	Item 12
l.	Ongoing product/service purchases	Article 8	Item 8
m.	Maintenance, appearance and remodeling requirements	Not applicable	Item 11
n.	Insurance	Section 7.9	Items 7 and 8
o.	Marketing/Advertising	Article 9	Item 11
p.	Indemnification	Article 16	Item 6
q.	Owner's participation/Management /staffing	Sections 2.2, 7.3, 7.4, 7.5,	Items 11 and 15
r.	Records and reports	Article 10	Item 6
s.	Inspection and audits	Section 10.5	Item 6
t.	Transfer	Article 15	Item 17
u.	Renewal	Section 3.2	Item 17



	<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
v.	Post-termination obligations	Sections 13.2, 14.3	Item 17
w.	Non-competition covenants	Section 13.2	Item 17
x.	Dispute resolution	Article 17	Item 17

## **ITEM 10**

### **FINANCING**

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease, or obligation of yours, or has any practice or intent to sell, assign, or discount to a third party all or any part of any financing arrangement of yours.

## **ITEM 11**

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

**Except as listed below, Preveer need not provide you with any assistance.**

#### **PREOPENING OBLIGATIONS**

Before you open your business, we will provide the following assistance and service to you:

1. Because we expect you will work from your home or a small executive office, we do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises. We do not provide any assistance in hiring or training employees.
2. We will provide advice in regard to establishing your business. (Franchise Agreement Section 5.1)
3. We will make available to you our standard initial training. (Franchise Agreement Section 5.1)
4. We will loan you our Manual, which includes statements of policies and procedures, together with instruction and advice in the operation of a Preveer business. (Franchise Agreement Section 5.1)
5. We will provide you with other relevant manuals and written material which we deem necessary. (Franchise Agreement Section 5.1)
6. We will provide you with your own website. (Franchise Agreement Section 5.1)

## LENGTH OF TIME TO OPEN

The typical length of time between signing the franchise agreement and the opening of your business is 30 to 60 days. Factors that may affect the time period include your ability to complete our initial training. You must open for business within 60 days after the execution of your franchise agreement.

## OUR CONTINUING OBLIGATIONS

During the ongoing operation of your business, we will provide the following assistance and services to you:

1. We will provide you with details of any alterations and/or improvements in or to the System. (Franchise Agreement Section 5.2)
2. We will, from time to time, free of charge, send you bulletins on sales and service methods, marketing development and techniques, and/or business and operating procedures. (Franchise Agreement Section 5.2)
3. We will offer advice regarding your business by telephone and electronic communication. (Franchise Agreement Section 5.2)
4. We will obtain vendors to provide products and services for business clients through the CRM. We will work with vendors to determine the prices they will offer. (Franchise Agreement Section 5.2)
5. We will operate and maintain the Preveer CRM. (Franchise Agreement Section 7.1)
6. When the business client engages you for a particular project, the client will pay the purchase price (plus the administration fee) through the CRM. When the client pays for a project, the CRM will forward us the Administration Fee and Royalty Fee. When the client's project is complete, CRM will pay the vendor's charge to the vendor, and will pay the remaining balance to you. We reserve the right to deduct any other fees and amounts owed by you from any amount you are owed through the CRM.

## ADVERTISING

### *Marketing Fund*

You and all other franchisees must contribute to the Marketing Fund. You are required to pay a monthly Marketing Fund Contribution of 2% of Gross Revenues, or \$250 (whichever is greater). We can increase this minimum monthly fee at any time by up to 10%, but not more frequently than once every three years and increase must apply to all Preveer franchisees.

We will use the Marketing Fund for marketing, advertising, and public relations materials, programs and campaigns and related overhead. Media coverage may be local, regional or national. Except in connection with the Marketing Fund, we are not obligated to conduct advertising for you.

The sources used by the Marketing Fund may be in-house, or national or regional agencies. There is no obligation to use the assets of the Marketing Fund to spend any amount in your Designated Marketing Area.

If we were to open any company-owned Preveer business, such businesses would pay the same Marketing Fund Contribution as a new franchisee at that time.

We administer the Marketing Fund and manage the financial and administrative functions of the Marketing Fund. The Marketing Fund is not audited. We will make unaudited annual financial statements available to you upon request. If less than all funds are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year. No more than 25% of the Marketing Fund may be spent principally to solicit new franchise sales.

Preveer has not yet collected Marketing/Brand Fund fees. Marketing/Brand Fund collections shall begin on November 1, 2021 for existing franchisees. During calendar year 2020, expenditures by the Marketing/Brand Fund by category were as follows: Advertising and Promotion – 0%; Branding/Creative Design – 0%; Administration – 0%; Digital/Online/Mobile Technology – 0%; Production – 0%.

#### *Your Own Marketing Materials*

We must approve your marketing materials prior to their use. We will not unreasonably withhold approval of any marketing materials that you propose to use, if your materials are factually accurate and current, conform to the highest standards of ethical marketing and all applicable laws and regulations, and are in good taste and accurately depict the Preveer trademarks. Our review and approval of your marketing materials is not a warranty of any kind. You are responsible for ensuring that your materials are factually accurate and current, and that all materials and activities conform to the highest standards of ethical marketing and applicable laws and regulations.

#### *Local or Regional Advertising Cooperatives.*

We do not have any local or regional advertising cooperatives, and we do not have the right to require you to participate in a local or regional advertising cooperative.

#### *Advertising Council*

We do not have an advertising council comprised of franchisees that advises us on advertising policies, although we reserve the right to form one in the future.

### **COMPUTER HARDWARE AND SOFTWARE SYSTEMS**

Our proprietary Preveer Customer Relations Management (“CRM”) system is the primary management system for your business. The business client will pay for services through the CRM. Through the CRM, we will pay the vendor, deduct your royalties and other fees, and forward the remaining balance to you. The CRM will keep track of all business clients, service providers, jobs, and payments. We may alter the functionality of the CRM at our discretion. Starting when you open your business, you will pay a technology fee which is currently \$75 per month for the first user and \$25 per month for each additional person.

You will need a computer (or tablet) and smartphone with internet access and typical office software. You are required to buy and use QuickBooks® Online for accounting. We estimate your computer will cost \$0 to \$1,500 (with the low end assuming you already own a computer (or tablet) and smartphone suitable for the business).

We will maintain the CRM. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates to your computer or software. Although we do not currently require you have any

particular software system, we have the right to require you to acquire and use software in the future and to upgrade or update any system during the term of the franchise. There is no contractual limitation on the frequency and cost of this obligation.

We will have independent access to all information that will be generated or stored in or through the CRM and there are no contractual limits imposed upon our access to your data.

### **OPERATIONS MANUAL**

See Exhibit C for the table of contents of our Manual as of the date this disclosure document, with the number of pages devoted to each subject. There are 231 pages in the Manual.

### **TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON THE JOB TRAINING</b>	<b>LOCATION</b>
Overview	15 Minutes	-	Online
CRM	2 Hours	-	Online
Marketing to and Working with Buyers	6 Hours	-	Online
Operations	5 Hours	-	Online
Time Management	1 Hour	-	Online
Working with Vendors	2 Hours	-	Online
Program Review	15 Minutes	-	Online
<b>TOTALS:</b>	16.5 Hours	-	

Before you open your business, you must complete our initial training program. You will take all training from your home or other location you choose. All training will be done on our online platform and the recorded training videos will be housed in the “library” of the CRM. You will be able to log-in to the training platform any time to take or revisit the training modules. Training modules may include interactive questions and answers, and other activities. You will also be able to watch or re-watch the training videos any time through the CRM.

The training program is overseen by Alpha Khan. He has one year of experience with us or our affiliates.

You do not pay any charges for training. Because you attend training online, you do not incur any travel expenses.

You must attend training. If the franchise is owned by an entity, then the principal owner must attend training. You may have up to two people to attend our initial training program.

You must complete the training program to our satisfaction at least one week before you open for business.

We do not currently require additional training programs or refresher courses, but we have the right to do so.

## **ITEM 12**

### **TERRITORY**

You are granted the right to operate a Preveer business solely within a Designated Marketing Area, which will be a geographic area defined and named by us which contains 8,000 or more registered businesses. We determine your Designated Marketing Area and the number of businesses by mapping software using demographic, econometric, business and consumer data. You must confine your business activities to your Designated Marketing Area including, but not limited to meetings, conferences, community service, and educational programs. While you are not restricted from accepting unsolicited clients from outside your Designated Marketing Area, you must restrict the targeting of public relations, promotional, sales and marketing activities to individuals and businesses located within your Designated Marketing Area and shall not actively market areas outside of your Designated Marketing Area using the Internet, telemarketing or other forms of direct marketing and cannot indicate in any media, print or electronic, that you have a location or provide services in any area outside of your Designated Marketing Area.

Your Designated Marketing Area is exclusive, and we will not open or operate company-owned businesses and/or grant additional franchisees selling the same or similar goods or services under the same or similar trademarks or service marks as a Preveer business within your Designated Marketing Area. The continuation of your exclusive area is dependent on your gross revenue during each 12 months of operation of your franchise after the first 12 months of operation. You will be required to maintain or exceed the minimum gross revenue amount of \$5,000 per month each month after the first 12 months of operation. If you fail to achieve the minimum required gross revenue, you may lose your exclusive rights to your Designated Marketing Area. If you operate in more than one Designated Marketing Area, the \$5,000 minimum applies separately to each Designated Marketing Area. If you meet the minimum, then your Designated Marketing Area can only be altered or modified with your written consent.

We have the right and, through the Marketing Fund, may promote the services offered by Preveer business in your Designated Marketing Area using our trademarks through the Internet, telemarketing, and direct marketing. Any potential clients received through such promotional efforts will be forwarded to the franchisee located in the Designated Marketing Area in which the potential client resides or operates a business. No compensation will be paid to franchisees as the franchisor will not realize revenues from these promotional activities, and the referrals resulting from this marketing will be passed to the affected franchisee.

We and our affiliates do not currently operate a business under a different trademark that offers services similar to those which your Preveer business will offer, and we have no plans to do so in the future. You have no options, right of first refusal or similar rights to acquire an additional franchise within any particular territory, although you may ask us at any time to purchase additional franchises. You will be granted an additional franchise based on the following: (1) whether or not you are currently in default or have been in default of any part of your Franchise Agreement; and (2) your financial history, the financial stability of your existing business, and your experience managing your existing business.


You can move the location of your business headquarters outside of your Designated Marketing Area only with our written consent. The relocation of your business will not change your Designated Marketing Area.

## **ITEM 13**

### **TRADEMARKS**

The following are the principal trademarks that we license to you (the “Marks”). The Marks are owned by us. We do not have a federal registration for our Marks. Therefore, our Marks do not have as many legal

benefits and rights as a federally registered trademark. If our right to use the Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed for the following marks:

Mark	Application Date	Identification Number
PREVEER	Pending	Pending
	Pending	Pending

There are currently no effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

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

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense and/or indemnify you. The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a Mark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you. Under the franchise agreement, we may require you to modify or discontinue using a Mark, at your expense.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

## **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### *Patents*

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

#### *Copyrights*

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Preveer online portal, as well as our Manual and all sales, training, management and other materials that we have

created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

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

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights. If we modify or discontinue using the subject matter covered by the patent or copyright, you do not have any rights, including rights to compensation, under the Franchise Agreement.

We do not know of any copyright infringement that could materially affect you.

#### *Proprietary Information*

We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public, plans, data, financial information, processes, vendor data, marketing systems, formulas, techniques, operating procedures, client data, information and know-how.

You must protect the confidentiality of our Manual and other proprietary information and use our confidential information only for your franchised business.

### **ITEM 15**

#### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must personally devote best efforts to the direct operation of your business. You are not required to sign a personal guarantee; however, you are required to personally sign the franchise agreement, even if you form a corporation, partnership or other business entity for the operation of the franchise. If you form a corporation or other business entity, you will sign the franchise agreement both personally and on behalf of the business entity as an officer or director of the company. You must be the owner of all the stock or membership units of the business entity. If you form a partnership, you and your partners will sign the franchise agreement personally. Your business must at all times be under your direct supervision. By signing the franchise agreement personally you agree to sign a confidentiality agreement maintaining confidentiality of our trade secrets and other proprietary information described in Item 14 and abide by the non-compete covenants described in Item 17, which are valid for two years after the expiration or termination of the franchise agreement.

## **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale only services and goods that we have approved.

You must offer for sale all services and goods that we require. We have the right to change the types of authorized services or goods, and there are no limits on our right to make changes.

You can market and solicit clients only in your Designated Market Area, but you may accept unsolicited clients from outside of your Designated Market Area.

## **ITEM 17**

### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

#### **THE FRANCHISE RELATIONSHIP**

	<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
a.	Length of franchise term	Section 3.1	10 Years.
b.	Renewal or extension of the term	Section 3.2	You may obtain a successor franchise agreement for up to two additional 10-year terms.
c.	Requirements for franchisee to renew or extend	Sections 3.2	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 10-year term. You may be asked to sign a contract with materially different terms and conditions than your original franchise agreement.  To renew, you must give advance notice to us; be in compliance; conform your business to then-current standards for new franchisees; pay a renewal fee of \$1,500; sign then-current form of franchise agreement; sign general release (unless prohibited by applicable law).
d.	Termination by franchisee	None	None
e.	Termination by franchisor without cause	None	None



	<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
f.	Termination by franchisor with cause	Section 14.1	We can terminate only if you default.
g.	“Cause” defined- curable defaults	Section 14.1	All defaults not specified in Section 14.1(c) of the Franchise Agreement.
h.	“Cause” defined- non-curable defaults	Section 14.1	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; failure to complete training to our satisfaction; failure to open for business by opening deadline; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; abandonment; slander or libel of us; three defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand.
i.	Franchisee’s obligations on termination/non-renewal	Section 14.2	Pay all amounts due; return Manual and return or turn over proprietary items and all items bearing the Marks; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; cease use of the Marks.
j.	Assignment of contract by franchisor	Section 15.1	No restriction on our right to assign.
k.	“Transfer” by franchisee – defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l.	Franchisor approval of transfer by franchisee	Section 15.2	We retain the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and guaranty; you’ve made all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current System specifications.

	<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 15.5	We can match any offer.
o.	Franchisor's option to purchase franchisee's business	Not applicable	Upon expiration or termination, any business relationship you have with clients automatically transfer to us.
p.	Death or disability of franchisee	Section 15.3	If you die or become incapacitated, the business must be transferred to a new owner within nine months.
q.	Non-competition covenants during the term of the franchise	Section 13.2	No involvement in any other competitive business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 13.2	No competing business for 2 years within your Designated Marketing Area, 10 miles of your Designated Marketing Area, the designated marketing area of any other Preveer business and 10 miles of the designated marketing area of any other Preveer business.
s.	Modification of the Agreement	Section 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or System specifications.
t.	Integration/merger clause	Section 18.3	Only 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. No claim made in any franchise agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 17.1, 17.5	Either party may request non-binding mediation at any time prior to a dispute being resolved by litigation. Mediation shall take place in your home state.
v.	Choice of forum	Section 17.1	Litigation must be brought in state court in Palm Beach County, Florida (subject to applicable state law).
w.	Choice of law	Section 18.8	Florida law (subject to applicable state law).

## **ITEM 18**

### **PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

#### **Operating Results of MG Social Marketing in Stuart, Florida**

Michael Gardiner, incorporated his business under the name MG Social Marketing Inc. in January 2019. The business has similar supplies, computer hardware and software and other comparable items related to that which will be found in a typical Preveer business owned by a franchisee. Prior to January 1, 2019, Gardiner did not operate MG Social Marketing on a full-time basis as will be the case with a typical Preveer franchisee. There have been no other Preveer businesses opened.

The gross revenues for the fiscal year ending December 31, 2019, December 31, 2020 and for the first nine months of fiscal year ending December 31, 2021 are listed below:

	<u>2019</u>	<u>2020</u>	<u>2021*</u>
Gross Revenues	\$102,822	\$94,843	\$101,088

\* Numbers in this column reflect revenues and profits from January 1, 2021 through September 2, 2021.

**One outlet has earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

The gross revenues for your Preveer business for its opening months are likely to differ from the amounts shown above. Your actual results will vary depending upon a number of factors, including the location of the business, local market conditions, your management skills and experience and the type of products and services you offer from your business. Written substantiation of this financial representation will be made available to you upon reasonable request.

Except for the information provided above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark D. Nichols, 2121 Vista Parkway,

West Palm Beach, Florida 33411, and (561) 640-5570, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**Table 1  
System-Wide Outlet Summary  
For Years 2019 to 2021\***

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets at the Start of the Year</b>	<b>Column 4 Outlets at the End of the Year</b>	<b>Column 5 Net Change</b>
Franchised	<b>2019</b>	0	0	0
	<b>2020</b>	0	0	0
	<b>2021</b>	0	3	+3
Company- Owned	<b>2019</b>	0	0	0
	<b>2020</b>	0	0	0
	<b>2021</b>	0	0	+0
Total Outlets	<b>2019</b>	0	0	0
	<b>2020</b>	0	0	0
	<b>2021</b>	0	3	+3

\* Our fiscal year end is June 30. In this Item 20:

“2019” refers to the period of July 1, 2018 to June 30, 2019

“2020” refers to the period of July 1, 2019 to June 30, 2020

“2021” refers to the period of July 1, 2020 to June 30, 2021

**Table 2  
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)  
For Years 2019 to 2021**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
N/A	<b>2019</b>	0
	<b>2020</b>	0
	<b>2021</b>	0
Total	<b>2019</b>	0
	<b>2020</b>	0
	<b>2021</b>	0

**Table 3**  
**Status of Franchised Outlets**  
**For Years 2019 to 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Florida	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	3	1	0	0	0	+2
Pennsylvania	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	+1
<b>TOTAL</b>	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	4	1	0	0	0	+3

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2019 to 2021**

Col.1 State	Col.2 Year	Col.3 Outlets at Start of Year	Col.4 Outlets Opened	Col.5 Outlets Reacquired from Franchisees	Col.6 Outlets Closed	Col.7 Outlets Sold to Franchisees	Col.8 Outlets at End of the Year
<b>TOTAL</b>	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

[REST OF PAGE INTENTIONALLY LEFT BLANK]

**Table No. 5  
Projected Openings as of June 30, 2022**

<b>State</b>	<b>Franchise Agreements Signed but Outlet Not Opened</b>	<b>Projected New Franchised Outlets in The Next Fiscal Year</b>	<b>Projected New Company Owned Outlets in the Next Fiscal Year</b>
Alabama	0	0-1	0
Alaska	0	0-1	0
Arizona	0	0-1	0
Arkansas	0	0-1	0
California	0	0-1	0
Colorado	0	0-1	0
Connecticut	0	0-1	0
Delaware	0	0-1	0
DC	0	0-1	0
Florida	2	3-5	0
Georgia	0	0-1	0
Hawaii	0	0-1	0
Idaho	0	0-1	0
Illinois	0	0-1	0
Indiana	0	0-1	0
Iowa	0	0-1	0
Kansas	0	0-1	0
Kentucky	0	0-1	0
Louisiana	0	0-1	0
Maryland	0	0-1	0
Massachusetts	0	0-1	0
Michigan	0	0-1	0
Minnesota	0	0-1	0
Mississippi	0	0-1	0
Missouri	0	0-1	0
Montana	0	0-1	0
Nebraska	0	0-1	0
Nevada	0	0-1	0
New Hampshire	0	0-1	0
New Jersey	0	0-1	0
New Mexico	0	0-1	0
New York	0	0-1	0
North Carolina	1	1-2	0
North Dakota	0	0-1	0
Ohio	1	1-2	0
Oklahoma	0	0-1	0
Oregon	0	0-1	0
Pennsylvania	0	0-1	0
Rhode Island	0	0-1	0
South Carolina	0	0-1	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
South Dakota	0	0-1	0
Tennessee	0	0-1	0
Texas	0	0-1	0
Utah	0	0-1	0
Vermont	0	0-1	0
Virginia	0	0-1	0
Washington	0	0-1	0
West Virginia	0	0-1	0
Wisconsin	0	0-1	0
Wyoming	0	0-1	0
<b>Total</b>	<b>4</b>	<b>5-56</b>	<b>0</b>

The names, addresses and telephone numbers of our current franchisees and their agencies are listed in Exhibit F.

The name and last known address and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year ending June 30, 2021 or who has not communicated with us within the 10 weeks preceding the issuance date of this Disclosure Document are also listed and attached as Exhibit F. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the last three fiscal years, one franchisee has signed a contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

There are no trademark-specific franchisee organizations associated with our franchise system.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Exhibit B contains our audited financial statements for the fiscal years ending June 30, 2019, June 30, 2020, and June 30, 2021. Our fiscal year end is June 30.

## **ITEM 22**

### **CONTRACTS**

The following contracts are included in this Disclosure Document as follows:

- Exhibit A - Franchise Agreement
- Exhibit E - General Release Agreement
- Exhibit G - Deposit Receipt
- Exhibit I - Nondisclosure and Noncompetition Agreement

**ITEM 23**

**RECEIPT OF DISCLOSURE DOCUMENT**

COPIES OF AN ACKNOWLEDGMENT OF YOUR RECEIPT OF THIS DISCLOSURE DOCUMENT APPEAR AS EXHIBIT L. PLEASE SIGN AND DATE TWO COPIES AND RETURN ONE EXECUTED RECEIPT TO US. YOU MAY RETAIN THE SECOND EXECUTED RECEIPT FOR YOUR RECORDS.



**EXHIBIT A**  
**FRANCHISE AGREEMENT**



**RESOURCE OPERATIONS INTERNATIONAL, LLC  
D/B/A PREVEER**

**FRANCHISE AGREEMENT**

**Franchisee:** \_\_\_\_\_

**Franchisee's Address:** \_\_\_\_\_

**Effective Date:** \_\_\_\_\_

**Designated Marketing Area:** \_\_\_\_\_

## FRANCHISE AGREEMENT

This Agreement is made between Resource Operations International LLC d/b/a Preveer, a Florida limited liability company (“Franchisor”), and Franchisee effective as of the date signed by Franchisor (the “Effective Date”).

### Background Statement:

A. Franchisor owns a system (the “System”) for helping businesses contract out various services under the trade name Preveer™.

B. The System includes (1) methods, procedures and standards for developing and operating a Preveer business; (2) particular services; (3) a proprietary online Customer Relationship Management portal (4) the Marks; (5) training programs; (6) business knowledge; (7) marketing plans and concepts; and (8) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Preveer business on the terms and conditions of this Agreement.

### ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Business**” means the Resource Operations International business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business engaged in helping other businesses purchase goods or services or cost reduction analysis services.

“**Confidential Information**” means all non-public information of or about the System, Franchisor, and any Preveer business, including all methods for developing and operating the Business, and all non-public, plans, data, financial information, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

“**CRM**” means the online portal managed by Franchisor through which clients and vendors interact for business, and which has such other functions determined by Franchisor from time to time in its sole discretion, and which may be subject to modification from time to time by Franchisor.

“**CRM Approved Vendor**” means a supplier or vendor that provides goods or services to clients of the Business.

“**Gross Revenues**” means the entire amount of all of Franchisee’s revenues arising out of the ownership or operation of the Business. It includes all amounts paid by a client business through

the CRM. The revenues are determined regardless of whether they are evidenced by cash, credit, checks, services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Cash refunded or credit given to clients is to be deducted in computing gross revenue to the extent that such cash or credit represent amounts previously included in gross revenue on which Royalty and Marketing Fund Contributions were paid.

**“Input”** means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

**“Losses”** includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

**“Manual”** means Franchisor’s confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

**“Marketing Fund”** means the fund established by Franchisor into which Marketing Fund Contributions are deposited.

**“Marks”** means the service mark and logo contained on the Summary Page, and/or all other trade names, trademarks, service marks and logos which may be specified by Franchisor from time to time for use in a Business.

**“Project”** means any service or product provided by a supplier or vendor through the Business.

**“Purchase Price”** means the price that a business client pays to the CRM for a Project.

**“System Standards”** means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, client service, marketing and public relations, product and service offerings, presentation of Marks, reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, information management systems, security systems, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto).

**“Transfer”** means for Franchisee to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

**“Vendor Charge”** means the amount charged by a vendor for a Project.

## ARTICLE 2. GRANT OF LICENSE

**2.1 Grant.** Franchisor grants to Franchisee the right to operate a Business in the Designated Marketing Area. Franchisee shall develop, open and operate a Business in the Designated Marketing Area for the entire term of this Agreement.

**2.2 Exclusivity.** Franchisor shall not establish, nor license the establishment of, another business within the Designated Marketing Area selling the same or similar goods or services under the same or similar trademarks or service marks as a Preveer business. Franchisor has the right and, through the Marketing Fund or otherwise, may promote the services offered by Preveer business in the Designated Marketing Area using Preveer trademarks through the Internet, telemarketing, and direct marketing. Any potential clients located in the Designated Marketing Area received through such promotional efforts will be forwarded to Franchisee. The Designated Marketing Area granted under this Agreement does not in any way grant or imply any other area, development, or territorial rights to You, except as expressly provided above in this Section.

**2.3 Minimum Sales Requirement.** The continuation of Franchisee's exclusive rights described in Section 2.2 is dependent on Franchisee achieving Gross Revenues of at least \$5,000 per calendar month after the first 12 full calendar months of operation. If Franchisee fails to achieve this minimum in any such calendar month, Franchisor may by giving notice to Franchisee terminate the exclusivity of Franchisee's rights in the Designated Marketing Area.

**2.4 Location of Client.** Franchisor, in its good faith discretion, retains the right to determine whether a particular client is located in any given designated marketing area.

**2.5 Referrals Between Franchisees.** Franchisor may set policies binding on all franchisees regarding referral commissions (and other terms and conditions) when a customer is referred from one Preveer business to another. Franchisor may waive or modify such policies in any circumstance as Franchisor determines.

**2.6 Best Efforts.** Franchisee shall serve as the day-to-day general manager of the Business and must devote his or her best efforts to the management and operation of the Business.

**2.7 Entity Franchisee.** Franchisee may, at Franchisee's option, operate the Business through a limited liability company, corporation or other business entity, provided that: (i) this Agreement shall remain in Franchisee's name, and the full legal name of the business entity shall be added to this Agreement as an additional Franchisee; (ii) the business entity is newly organized and its activities are confined exclusively to operating the Business; (iii) Franchisee is the owner of all the stock or membership units of the business entity and is the principal executive officer thereof; (iv) Franchisee furnishes Franchisor with the name, address, telephone number and percentage of ownership of each officer, director, shareholder and member of the business entity; and (v) no part of the Marks shall form part of the business entity's legal name. In furtherance of this Section 2.3, in the event Franchisee operates the Business through a business entity which is not already named as an additional Franchisee in this Agreement, Franchisee hereby grants an irrevocable power of attorney to Franchisor and appoints Franchisor as its attorney-in-fact to add the business entity to this Agreement as an additional Franchisee.

**2.8 No Conflict.** Franchisee represents to Franchisor that Franchisee: (i) is not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement; (ii) is not a direct or indirect owner of any Competitor; and (iii) is not listed or “blocked” in connection with, and is not in violation under, any anti-terrorism law, regulation, or executive order.

### ARTICLE 3. TERM

**3.1 Term.** This Agreement commences on the Effective Date and continues for 10 years.

**3.2 Successor Agreement.** When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of 10 years each, subject to the following conditions prior to expiration:

- (a) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;
- (b) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;
- (d) Franchisee executes Franchisor’s then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee;
- (e) Franchisee pays a renewal fee of \$1,500; and
- (f) Franchisee executes a general release (on Franchisor’s then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

### ARTICLE 4. FEES

**4.1 Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee equal to \$29,500.

**4.2 Royalty Fee.**

(a) Amount. Franchisee shall pay Franchisor a royalty fee (the “Royalty Fee”) equal to 8% of Gross Revenues, except that Franchisee shall not pay a Royalty Fee in any calendar month less than the following amounts (hereinafter the “Minimum Monthly Royalty Fee”):

- (i) Months 1-12 of operation: \$300 per month
- (ii) Months 13-24 of operation: \$600 per month
- (iii) After 24 months of operation: \$900 per month

(b) Increase. Franchisor may increase the Minimum Monthly Royalty Fee by up to 10% at any time, provided that any such increase (a) shall be done no more frequently than once every three years and (b) shall apply to all Preveer franchises.

**4.3 Marketing Fund Contribution.** Franchisee shall pay Franchisor a monthly contribution to the Marketing Fund (the “Marketing Fund Contribution”) equal to the greater of (a) 2% of Gross Revenues or (b) \$250 per month. Franchisor may increase the minimum monthly Marketing Fund Contribution by up to 10% at any time, provided that any such increase (a) shall be done no more frequently than once every three years and (b) shall apply to all Preveer franchises.

**4.4 Marketing and Equipment Package.** Franchisee shall purchase the Marketing and Equipment package described on Schedule A from Franchisor (or another affiliate or third party designated by Franchisor). Franchisee shall pay \$20,489 plus applicable taxes towards such Marketing and Equipment Package upon signing this Agreement.

**4.5 Technology Fee.** Commencing when Franchisee starts the Business, Franchisee shall pay to Franchisor a monthly technology fee (the “Technology Fee”) for the hosting, support and maintenance of the CRM and other technology matters. Franchisor may in its sole discretion change the CRM and other technology services provided to Franchisee. As of the date of this Agreement, the Technology Fee is \$75 per month for the first user and \$25 per month for each additional user. Franchisor may increase the Technology Fee from time to time to reflect its reasonable internal and external costs of the CRM and other technology services and support.

**4.6 Payment Terms.**

(a) Method of Payment. Franchisee shall pay the Royalty Fee as described in Section 7.1. Franchisee shall pay the Marketing Fund Contribution, Technology Fee, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor’s payment instructions.

(b) Failure to Pay. Any payment not made in full when due will bear interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law). Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(c) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(d) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor’s performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

## ARTICLE 5. ASSISTANCE

**5.1 Pre-Opening Assistance.** Before Franchisee opens for business, Franchisor (either directly or through an affiliate or third party) shall:

- (a) Provide advice in regard to establishing the Business.
- (b) Make available its standard initial training.
- (c) Provide Franchisee, on loan, with the Manual, which includes statements of policies and procedures, together with instruction and advice in the operation of the Business.
- (d) Provide Franchisee with other relevant manuals and written material which, in its discretion, Franchisor deems necessary.
- (e) Provide Franchisee with a unique webpage for the Business.
- (f) Sell (either directly or through an affiliate or other entity) to Franchisee the equipment and other items (the “Marketing and Equipment Package”) listed in Schedule A to this Agreement.

**5.2 Post-Opening Assistance.** After Franchisee opens for business, Franchisor (either directly or through an affiliate or third party) shall:

- (a) Provide Franchisee with details of any alterations and/or improvements in or to the System.
- (b) From time to time, free of charge, send to Franchisee bulletins on sales and service methods, marketing development and techniques, and/or business and operating procedures.
- (c) Offer advice to Franchisee regarding Franchisee’s business by telephone and electronic communication.
- (d) Franchisor will obtain CRM Approved Vendors to provide products and services to business clients through the CRM. Franchisor will work with each CRM Approved Vendor to determine the standard fees charged by such CRM Approved Vendor. Franchisor has sole discretion to determine which business will be the CRM Approved Vendors. Franchisor makes no representation, warranty, or guaranty that there will be a CRM Approved Vendor for any particular good or service, and bears no liability to Franchisee or any third party regarding the same. CRM makes no representation, warranty or guaranty regarding the pricing or quality of goods or services provided by CRM Approved Vendors, and bears no liability to Franchisee or any third party regarding the same.

## ARTICLE 6. OPENING

**6.1 New Franchisee Training.** Franchisee must complete Franchisor’s online training program for new franchisees to Franchisor’s satisfaction at least one week before beginning to operate the Business.



**6.2 Opening Date.** Franchisee shall begin to operate the Business within 60 days after the Effective Date. For purposes of this Agreement (including the beginning date of Franchisee's monthly minimum royalties), Franchisee's Preveer Business shall be deemed to be open and have commenced operating on the first Monday following the date in which Franchisee's marketing set-up has been completed.

## ARTICLE 7. OPERATIONS

### 7.1 Projects and the CRM.

(a) Franchisor's Obligation. Franchisor shall operate and maintain the CRM. Franchisor shall have sole discretion to determine and change from time to time all aspects and functions of the CRM. Such aspects and functions may include, without limitation, keeping records of all business clients, service providers, jobs, and payments. Franchisee shall comply with all terms of use of the CRM as determined by Franchisor from time to time.

(b) Projects. Franchisee will consult with and advise businesses in the Designated Marketing Area to determine Project needs that can be satisfied by CRM Approved Vendors. Franchisee will complete the sale of the Project to the business client through the CRM, according to policies and procedures determined by Franchisor.

(c) Payments. When the business client engages Franchisee for a particular Project, the client will pay Franchisee (through the CRM) the Purchase Price. The CRM will pay the Royalty Fee to Franchisor immediately while holding the Purchase Price until the Project is completed or a benchmark/specified date is met regarding the agreed upon payment schedule. When the client indicates in the CRM that the Project is complete or a benchmark/specified date is met regarding the agreed upon payment schedule, the CRM will (i) pay the Vendor Charge to the vendor, and (ii) forward the remaining balance to Franchisee. Franchisor reserves the right to deduct any other fees and amounts owed by Franchisee from any amount the CRM owes to the Franchisee.

**7.2 Compliance with Manual and System Standards; Compliance with Law.** Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards. Franchisee and the Business shall comply with all laws, ordinances, regulations and requirements of local, state and federal governmental authorities and pay any and all city, county, state and/or federal sales and/or use taxes, excise taxes, occupation taxes, license fees and other taxes, assessments and levies arising out of or in connection with all or any part of this Agreement, pay vendors and other creditors of the Business on a timely basis, and Franchisee shall not misappropriate or infringe on the copyrights, trademarks, patents or other intellectual property rights of third parties. Franchisor assumes no, and disclaims any and all, liability or responsibility with respect to Franchisee's dealings with and compliance with the requirements of any licensing or permitting agency of the state in which Franchisee is located.

**7.3 Conduct of Business.** Franchisee shall use best efforts to develop its Business. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall render competent and courteous service to all clients.

**7.4 Employees.** Franchisee is solely responsible for the terms and conditions of employment

of all Business personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of the Business will be an agent or employee of Franchisor.

**7.5 Post-Opening Training.** Franchisor may at any time require that Franchisee and/or any of Franchisee's employees complete training programs in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by Franchisee or any other employee, then Franchisee shall pay all travel, living and other expenses.

**7.6 Software.** Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems and shall abide by any System Standards related thereto.

**7.7 Evaluation and System Compliance Programs.** Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining client evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a client feedback system and client survey programs. Franchisor shall share with Franchisee the results of these programs as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

**7.8 Meetings.** Franchisee shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions. Franchisee shall not fail to attend more than three consecutive required meetings.

**7.9 Insurance.**

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage: (1) comprehensive general liability policy; (2) a policy covering "all risk" of physical loss; and (3) additional policies as may be required under your local laws or ordinances. Franchisor recommends that Franchisee obtain cyber liability, data security and technology errors and omissions insurance. The insurance requirements are minimum requirements. Franchisee shall consult with its local insurance agent and legal counsel from time to time to ensure the Business is adequately insured, and that Franchisee has all insurance required by law and under the terms of any agreement to which Franchisee is a party.

(b) Franchisee's policies (other than Workers Compensation) must: (1) list Franchisor and its affiliates as an additional insured; (2) include a waiver of subrogation in favor of Franchisor and its affiliates; (3) be primary and non-contributing with any insurance carried by Franchisor or

its affiliates; and (4) stipulate that Franchisor shall receive 30 days' prior written notice of cancellation.

(c) Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor via certified mail or email to [compliance@ufgcorp.com](mailto:compliance@ufgcorp.com) prior to opening and upon annual renewal of the insurance coverage as well as at any time upon request of Franchisor.

**7.10 Business Location.** Franchisee shall operate the Business from the address stated on the cover page to this Agreement. Franchisee shall not move the location of its business headquarters outside of the Designated Marketing Area without the prior written consent of Franchisor. A relocation of the Business headquarters will not change the Designated Marketing Area.

**7.11 National Accounts.** Franchisee shall comply with any requirements that Franchisor establishes from time to time for accounts or clients that span multiple designated marketing areas.

**7.12 Public Relations.** Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Preveer, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval.

**7.13 Association with Causes.** Franchisee shall not in the name of the Business: (1) donate money, products, or services to any charitable, political, religious, or other organization; or (2) act in support of any such organization, without Franchisor's prior written approval.

**7.14 No Other Activity Associated with the Business.** Franchisee shall not use the assets of the Business for any purpose other than the Business. Franchisee shall not "co-brand" or associate any other business activity with the Business in a manner which is likely to cause the public to perceive it to be related to the Preveer Business. If Franchisee is an entity, the entity shall not own or operate any other business except Preveer businesses.

**7.15 No Third-Party Management.** Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor.

**7.16 Identification.** Franchisee must at all times identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

**7.17 Business Practices.** Franchisee, in all interactions with clients, potential clients, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

## ARTICLE 8. SUPPLIERS AND VENDORS TO YOUR BUSINESS

**8.1 Generally.** Franchisee shall acquire all Inputs required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs from Franchisor, Franchisor's designee, from vendors that Franchisor appose, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards.

**8.2 Marketing and Equipment Package.** Without limiting the generality of the foregoing, Franchisee acknowledges that Franchisor or its designated affiliate is the sole supplier of the Marketing and Equipment Package described in Schedule A. Franchisor and its affiliates expressly disclaim any warranties or representations as to the equipment, furniture, fixtures, and other items on Schedule A, including, without limitation, express or implied warranties as to merchantability or fitness for an intended purpose. Franchisee agrees to look solely to the manufacturer or producer of the equipment or other items in the event of any defects therein.

**8.3 Alternate Vendor Approval.** If Franchisor requires Franchisee to purchase a particular Input only from an approved vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

**8.4 Alternate Input Approval.** If Franchisor requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

**8.5 No Liability of Franchisor.** Preveer shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

**8.6 Business Data.** All customer data and other non-public data generated by the Business (through the CRM) is Confidential Information and is exclusively owned by Preveer. Preveer hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

## ARTICLE 9. MARKETING

**9.1 Implementation.** Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, websites, social media marketing, and sponsorships) that have not been approved by Franchisor. Franchisor's approval is not a warranty of any kind. Franchisee shall implement any marketing plans or campaigns determined by Franchisor. Franchisor will grant a variance to Franchisee upon Franchisee's request with respect to any marketing plan or campaign determined by Franchisor for the purpose of Franchisee's compliance with any law or regulation, and Franchisee shall be solely responsible for ensuring Franchisee's materials and activities, including Franchisee's implementation of marketing plans and campaigns determined by Franchisor, conform to Franchisor's System Standards and applicable laws and regulations, and do not infringe the intellectual property rights of any third party, including the trademarks, trade names, copyrights, copyright images, patents and designs belonging to a third party. Franchisee must comply with any internet, online commerce and/or

social media policy that Franchisor may prescribe in connection with any use of the internet, online commerce or social media by Franchise which relates to the Business, Preveer or Franchisor.

**9.2 Area.** Franchisee must confine all business-related business activities to the Designated Marketing Area including, but not limited to, meetings, conferences and community service and educational programs. Franchisee shall not actively market to businesses and individuals located outside the Designated Marketing Area and cannot indicate in any media, print or electronic, that Franchisee has a location or provide services in any area outside of the Designated Marketing Area. Franchisee may accept unsolicited clients from outside the Designated Marketing Area, however Franchisee is strictly prohibited from targeting public relations, promotional, sales and marketing activities to individuals and businesses located outside the Designated Marketing Area. Franchisee acknowledges that Franchisee has no remedy against Franchisor for any marketing and promotion conducted by other franchisees that occurs within the Designated Marketing Area.

**9.3 Use by Franchisor.** Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Franchisor for such purpose.

**9.4 Marketing Fund.** Franchisor will establish a Marketing Fund to promote the System on a local, regional, national, and/or international level with the following characteristics:

(a) Separate Account. Franchisor shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

(b) Use. Franchisor shall use the Marketing Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; soliciting new franchisees (provided that no more than 25% of the Marketing Fund will be spent on soliciting new franchisees); and administrative and overhead expenses related to the Marketing Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Marketing Fund).

(c) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide a direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Marketing Fund.

(d) Surplus or Deficit. Franchisor may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Marketing Fund on reasonable terms.

(e) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

(f) Reservation of Rights. Franchisor reserves the right to: (i) assume control of the Advertising Fund in the future; (ii) modify or terminate the Advertising Fund; and/or (iii) create or establish a new fund in the future. If Franchisor exercises any of these rights, the Franchisee must pay Franchisor, its affiliate, or another entity designated by Franchisor, the monthly Advertising Fund Contribution and comply with all requirements relating to the Advertising Fund or any new fund Franchisor establishes. Franchisor also reserves the right to enforce the obligations of the Advertising Fund and distribute the proceeds of any settlement or judgment in the manner that Franchisor deems appropriate, and to suspend or reduce a franchisee's obligation to participate in the Advertising Fund or any other advertising cooperative.

**9.5 Recommended Spending.** Franchisor recommends that Franchisee spend at least 5% of Gross Revenues each year on marketing the Business.

## **ARTICLE 10. RECORDS AND REPORTS**

**10.1 Systems.** Franchisee shall use such data management, administrative, bookkeeping, and accounting procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

### **10.2 Reports.**

(a) Financial Reports. Upon reasonable written request by Franchisor, Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual, or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Franchisor's fiscal year; and
- (iii) any information Franchisor requests in order to conduct a financial review of the Business or prepare a financial performance representation for Franchisor's Franchise Disclosure Document.

(b) Tax Returns. Upon reasonable written request by Franchisor, for each of Franchisee's tax years, Franchisee shall supply to Franchisor copies of Franchisee's federal and state tax returns and sales tax returns or in lieu of federal tax returns supply to Franchisor each tax year IRS Form 4506-T (or any successor form designated by the IRS), executed by Franchisee and authorizing the IRS to send Franchisor a copy of Franchisee's Tax Return Transcript. Franchisee agrees to prepare and file such returns separately for the Business and not on a consolidated basis with the income, sales, expenses or deductions of any other business with which Franchisee is associated reported therein.

(c) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any governmental authority or other third party against Franchisee or the Business, or otherwise involving Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request to [compliance@ufgcorp.com](mailto:compliance@ufgcorp.com).

(d) Government Activities. Franchisee shall give Franchisor, via certified mail or email to [compliance@ufgcorp.com](mailto:compliance@ufgcorp.com), copies of all business licenses, inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(e) Other Information. Franchisee shall submit to Franchisor such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

**10.3 Initial Investment Report.** Within 120 days after opening for business, Franchisee shall submit to Franchisor, via certified mail or email to [compliance@ufgcorp.com](mailto:compliance@ufgcorp.com), a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

**10.4 Business Records.** Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

**10.5 Records Audit.** Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor.

## ARTICLE 11. FRANCHISOR RIGHTS

**11.1 Manual; Modification.** The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

**11.2 Franchisor's Right to Cure.** If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus an additional 10% as an administrative fee.

**11.3 Business Data.** All business data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee’s use in connection with the Business for the term of this Agreement.

**11.4 Innovations.** Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, “Innovations”) conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

**11.5 Communication Systems.** If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes Franchisor to access such communications.

**11.6 Delegation.** Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

**11.7 System Variations.** Franchisor may vary or waive any System Standard for any one or more Preveer franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, local laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

## **ARTICLE 12. MARKS**

**12.1 Authorized Marks.** Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee’s operation of the Business, will inure to the exclusive benefit of Franchisor. All social media accounts, social networking websites, other online accounts as more specifically identified in Section 14.2(d), domain names and e-mail addresses used in Your business that include the words “Preveer”, “Resource Operations International”, or any of the Marks must be approved in writing by Franchisor and will be the property of Franchisor, and all social media accounts social networking websites, other online accounts, domain names and email addresses that include the mark “Preveer” or any of the Marks will be the property of Franchisor. Should You become the owner of any social media account, social networking website, other online account, domain name, or email address which include or any Mark or derivation of any Mark belonging to Franchisor, You shall, upon Franchisor’s written request, assign all rights, title and interest in those social media accounts, social networking websites, online accounts, domain names and email addresses



**12.2 Change of Marks.** Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee's expense.

**12.3 Infringement.** Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

## **ARTICLE 13. COVENANTS**

**13.1 Confidential Information.** With respect to all Confidential Information, Franchisee shall: (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality; (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor; (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement; (e) not copy or otherwise reproduce any Confidential Information; and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

### **13.2 Covenants Not to Compete.**

(a) Restriction – In-Term. During the term of this Agreement, Franchisee shall not (on behalf of themselves or for a third party) directly or indirectly act as, have any ownership interest in, or be engaged or employed by, any Competitor. Without limiting the generality of the foregoing, Franchisee shall not provide assist any business (whether or not located in the Designated Marketing Area) to purchase any services or products during the term of this Agreement.

(b) Restriction – Post-Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), Franchisee shall not (on behalf of themselves or for a third party), directly or indirectly act as, have any ownership interest in, or be engaged or employed by, any Competitor within the Designated Marketing Area, within 10 miles of the Designated Marketing Area, in another franchisee's designated marketing area, or within 10 miles of another franchisee's designated marketing area.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Franchisee fails to comply with the obligations under this Section during the restrictive

period, then the restrictive period will be extended an additional day for each day of noncompliance.

**13.3 Employees.** If requested by Franchisor, Franchisee will cause its employees to sign Franchisor's then-current form of confidentiality and non-compete agreement.

**13.4 Non-Disparagement.** Franchisee shall at no time make any derogatory statements about or otherwise disparage, defame, impugn or damage the reputation of integrity of the others, including Franchisor and other Franchisor franchisees in the System, provided that nothing contained herein will preclude You from providing truthful information in response to compulsory legal process. You shall not, and to use Your best efforts to cause any of Your agents, employees or affiliates to not, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, Franchisor's affiliates, and Franchisor's franchisees, or which would subject Franchisor, Franchisor's affiliates, or Franchisor's franchisees to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of those parties.

## **ARTICLE 14.           DEFAULT AND TERMINATION**

### **14.1 Termination by Franchisor.**

(a) Subject to 15-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) and fails to cure such breach within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

- (iv) Franchisee fails to complete the initial training program to Franchisor's satisfaction as required under Section 6.1;
- (v) Franchisee fails to open for business within the period of time specified in Section 6.2;
- (vii) Franchisee commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (viii) Franchisee abandons or ceases operation of the Business for more than five consecutive days;
- (ix) Franchisee slanders, libels or disparages Franchisor or any of its employees, directors, officers or affiliates;
- (x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xi) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a multi-unit development agreement with Franchisee or its affiliate shall not give Franchisor the right to terminate this Agreement); or
- (xii) Franchisee is accused by any governmental authority or third party of any act that in Franchisor's opinion is reasonably likely to materially and unfavorably affect the Preveer brand, or is charged with, pleads guilty to, or is convicted of a felony.

(d) No Termination by Franchisee. THIS AGREEMENT MAY BE TERMINATED ONLY BY FRANCHISOR, AND MAY NOT BE UNILATERALLY TERMINATED BY FRANCHISEE.

**14.2 Effect of Termination.** Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (a) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;
- (b) return or turn over to Franchisor (as applicable) all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary

items; and delete all copies of Confidential Information and proprietary materials from electronic devices;

- (c) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new designee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing;
- (d) must turn over to Preveer all digital assets, including, but not limited to, all digitally-stored content (such as images, photos, videos and text files), whether stored locally or accessible via the internet, the cloud, or another digital storage device (such as a USB drive or zip drive) or stored with a third-party digital-storage provider (such as OneDrive<sup>®</sup> or Dropbox<sup>®</sup>); and all user names and passwords for any and all email accounts, social media accounts and social networking websites (such as Facebook<sup>®</sup>, Twitter<sup>®</sup>, LinkedIn<sup>®</sup>, Google+<sup>®</sup>, MyBusiness<sup>®</sup>, YouTube<sup>®</sup>, Pinterest<sup>®</sup>, Instagram<sup>®</sup>, Tumblr<sup>®</sup>, Flickr<sup>®</sup>, Reddit<sup>®</sup>, Snapchat<sup>®</sup>, TikTok<sup>®</sup>, Twitch<sup>®</sup>, Quora<sup>®</sup>, Medium<sup>®</sup>, Triller<sup>®</sup> and WhatsApp<sup>®</sup>), blogs, and any other online communities where the Business created or shared online content, or held itself out as speaking for or representing the Business;
- (e) cancel any assumed-name or equivalent registration involving the Marks and furnish Franchisor with satisfactory evidence that it has done so, within 10 days after termination or expiration; and
- (f) permanently cease operating the Business and cease any use of the Marks.

**14.3 Post-Termination Activities.** After termination or expiration of this Agreement, Franchisee shall not, directly or indirectly, use any of the Marks, Confidential Information, or any aspect of the System. Franchisee shall not represent itself as a present or former franchisee of Franchisor or in any other way associate himself or herself with the System or the Marks. Franchisee shall not slander, libel or disparage Franchisor or any of its directors, officers, employees or affiliates. If Franchisee continues to operate, or subsequently begins to operate, any other business, Franchisee shall not, in connection with such business or the promotion thereof, use any reproduction or colorable imitation of the Marks, imitate any methods of operation, or undertake any other conduct that is likely to cause confusion, mistake, or deception, or that is likely to dilute Franchisor and/or its affiliate's respective rights in and to the Marks. Without limitation of the foregoing, Franchisee shall not at any time after expiration or termination use or attempt to register (or assist any third party to do the same) any trademarks, service marks, or other commercial symbol that is the same as or similar to any of the Marks, nor any mark with phonetic or graphic similarity to those of Franchisor or its affiliates.

**14.4 Other Claims.** Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies (including claims for Franchisor's lost future

income after termination), which Franchisor may have against Franchisee, whether arising before or after termination.

**14.5 Operation of Business.** When this Agreement expires or is terminated, any ownership interest of Franchisee in business relations with clients will automatically transfer to Franchisor or to any affiliate or third-party designated by Franchisor. Franchisor will have the right (but not the obligation) to assume control and operate the Business, and/or transfer the Business to any affiliate or third-party designated by Franchisor, without any compensation to Franchisee.

## **ARTICLE 15. TRANSFERS**

**15.1 By Franchisor.** Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

**15.2 By Franchisee.** Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent which shall not be unreasonably withheld. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

- (a) Franchisor receives a transfer fee equal to \$9,500, provided however, that Franchisor may instead require receipt of the then-current transfer fee (as determined by Franchisor);
- (b) the proposed assignee has completed Franchisor's franchise application processes, met Franchisor's then-applicable standards for new franchisees, and been approved by Franchisor as a franchisee;
- (c) the proposed assignee is not a Competitor;
- (d) the proposed assignee executes Franchisor's then-current form of franchise agreement, which form may contain materially different provisions;
- (e) Franchisee has paid all monetary obligations to Franchisor in full, and Franchisee is not otherwise in default or breach of this Agreement;
- (f) the proposed assignee and its owners and employees undergo such training as Franchisor may require;
- (g) Franchisee and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and
- (h) the Business fully complies with each System Standard.

**15.3 Transfer upon Death or Incapacity.** Upon the death or incapacity of Franchisee, Franchisee or his or her executor, administrator, or personal representative must assign this Agreement and Transfer the Business to a third party approved by Franchisor within nine months after death or incapacity. Such transfer must comply with Section 15.2.

**15.4 Franchisor's Right of First Refusal.** Before Franchisee engages in a Transfer, Franchisor will have a right of first refusal, as set forth in this Section. Franchisee shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

**15.5 No Sublicense.** Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

**15.6 No Lien on Agreement.** Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

## ARTICLE 16. INDEMNITY

**16.1 Indemnity.** Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business or in connection with Franchisee's sale, transfer or assignment of the Business and franchise license. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from Actions arising as a result of any Indemnatee's willful misconduct or gross negligence. This indemnity will continue in effect after this Agreement ends. It is the intention of the parties to this Agreement that Franchisor shall not be deemed a joint or co-employer with Franchisee for any reason; however, if Franchisor incurs any Losses as a result of actions or omissions by Franchisee or its employees, including any that relate to any party making any finding of any joint or co-employer status, Franchisee will fully indemnify Franchisor for any such Losses.

**16.2 Assumption by Franchisor.** Franchisor may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

## ARTICLE 17. DISPUTE RESOLUTION

### 17.1 Mediation.

(a) Option for Non-Binding Mediation. Prior to any Court proceeding taking place, either party may submit a dispute to non-binding mediation before the American Arbitration

Association in accordance with its Commercial Mediation Procedures. Upon submission, the obligation to attend mediation shall be binding on all parties (except as provided in Section 17.1(b)), all parties shall execute a confidentiality agreement regarding all aspects of the mediation reasonably satisfactory to Franchisor. Each party will bear its own costs with respect to the mediation, except the fee for the mediator will be split equally. The mediation will take place in the state where Franchisee has its principal place of business.

(b) Limitation on Litigation and Arbitration. If a dispute has been submitted for mediation, then except as provided otherwise in this subsection (b), neither party will pursue litigation and/or arbitration against the other with respect to the matters being mediated until after the mediation is concluded. Nothing in this Section will prevent any party from instituting or pursuing litigation at any time to preserve the status quo, protect the Marks, protect the health or safety of the public, or avoid irreparable harm. Franchisor will not be required to participate in mediation under Section 17.1(a) if (i) Franchisee is more than 45 days past due in any payment owed to Franchisor, or (ii) the mediation relates to the indemnification or insurance provisions of this Agreement.

**17.2 Arbitration.** Except to the extent Preveer elects to enforce the provisions of this Agreement by injunction as provided in this Agreement, any controversy or claim arising out of or relating to this Agreement, the business franchised hereunder or the relationship between the parties, including any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise void, shall be submitted to arbitration before the American Arbitration Association in accordance with its Commercial Arbitration Rules, in the locale of West Palm Beach, Florida, in which event both parties shall execute a confidentiality agreement reasonably satisfactory to Preveer. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof.

**17.3 Damages.** In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages authorized by federal statute. In the event of termination of this Agreement prior to the expiration of the term due to Franchisee's default, Franchisor's actual damages will include its lost future income from Royalty Fees and other amounts that Franchisee would have owed to Franchisor but for the termination.

**17.4 Waiver of Class Actions.** The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a joint, consolidated, or class-wide basis.

**17.5 Time Limitation.** Franchisee must provide Franchisor with immediate notice of any breach of this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates or of any claims against Franchisor, its affiliates or any of their respective owners, officers, directors, employees or representatives. Notice of such breaches or claims extends, without limitation, to breaches or claims arising out of, or related to, the negotiation or performance of this Agreement or concerning misrepresentations or any acts of misfeasance or nonfeasance by Franchisor, its affiliates or any of their respective owners, officers, directors, employees or representatives. If Franchisee fails to give Franchisor written notice within one year from the date of any such breach or claim, then such breach or claim shall be deemed to have been waived by

Franchisee and, thereupon, Franchisee shall be permanently barred from commencing any action relating to such believed breach or claim.

**17.6 Legal Costs.** In any legal proceeding related to this Agreement, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

**17.7 Additional Remedies of Franchisor.**

(a) You recognize that the business franchised hereunder is intended to be one of a large number of businesses identified by the Trademarks in selling to the public the products and services associated with the Trademarks, and hence the failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Preveer, and damages at law would be an inadequate remedy. Therefore, You agree that in the event of a breach or threatened breach of any of the terms of the Agreement by You, Preveer shall be entitled to seek an injunction restraining such breach and/or decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and costs incurred in obtaining said equitable relief. The foregoing equitable remedy shall be in addition to all remedies or rights that Preveer may otherwise have by virtue of any breach of this Agreement by You. Preveer shall be entitled to seek such relief without the posting of any bond or security, and if a bond shall nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of ONE HUNDRED DOLLARS (\$100.00) shall be a sufficient bond.

(b) Preveer shall also be able to seek injunctive relief to prohibit any act or omission by You or Your employees that constitutes a violation of any applicable law, is dishonest or misleading to Your customers or other businesses, or constitutes a danger to Your employees or customers or to the public or which may impair the goodwill associated with the Trademarks or to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

(c) You expressly consent and agree that Preveer may, in addition to any other available remedies, obtain an injunction to terminate or prevent the continuance of any existing default or violation, and/or to prevent the occurrence of any threatened default by You of this Agreement.

**ARTICLE 18. MISCELLANEOUS**

**18.1 Relationship of the Parties.** The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.



**18.2 No Third-Party Beneficiaries.** This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor’s affiliates.

**18.3 Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its Franchise Disclosure Document.

**18.4 Modification.** No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties, except as provided in Section 2.3. This provision does not limit Franchisor’s rights to modify the Manual or System Standards.

**18.5 Consent; Waiver.** No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver, except as provided in Section 17.5. No waiver by a party of any right will affect the party’s rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

**18.6 Cumulative Remedies.** Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

**18.7 Severability.** The parties intend that: (i) if any provision of this Agreement is held by a court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded; and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

**18.8 Governing Law.** The laws of the state of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

**18.9 Notices.** Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (i) if to Franchisee, addressed to Franchisee at the notice address set forth on the cover page to this Agreement; and (ii) if to Franchisor, addressed to 2121 Vista Parkway, West Palm Beach, Florida 33411, Attention: General Counsel. Franchisor may designate a new address for notices by giving notice of the new address pursuant to this Section. Franchisee may designate a new address only as provided in this Agreement. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication mail at the last known email address Franchisee provides to Preveer.

**18.10 Joint and Several Liability.** If two or more people and/or entity or entities sign this Agreement as “Franchisee”, each will have joint and several liability.

**18.11 No Offer and Acceptance.** Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

#### **ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE**

By signing this Agreement, Franchisee acknowledges the following:

- (1) Franchisee understands all the information in Preveer's Disclosure Document.
- (2) Franchisee has been advised by Franchisor to discuss Franchisee's intention to enter into this Agreement with other franchisees, business advisors, and legal advisors.
- (3) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace.
- (4) The exclusive rights of Franchisor in and to the System as presently developed or as it may be improved and expanded during the term of this Agreement, including practices, know-how, trade secrets, recipes, designs, marks, logos, décor, marketing, signs, and slogans presently in use and to be used hereafter.
- (5) The importance of Franchisor's high standards of quality and service and the necessity of operating the Business franchised hereunder in strict conformity with Franchisor's standards and specifications.
- (6) That no person acting on Franchisor's behalf made any statement or promise regarding the costs involved in operating a Preveer franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document, and Franchisee is not relying on any such statement or promise.
- (7) That no person acting on Franchisor's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document, and Franchisee is not relying on any such claim or representation.
- (8) That no person acting on Franchisor's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Preveer franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document, and Franchisee is not relying on any such statement or promise.
- (9) That no person acting on Franchisor's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning

advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document, and Franchisee is not relying on any such statement or promise.

- (10) Franchisee understands that this Agreement contains the entire agreement between Preveer and Franchisee concerning the Preveer franchise, which means that any oral or written statements not set out in this Agreement will not be binding.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

[individual owners:]

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[entity, if applicable:]

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

- \_\_\_\_\_ California
- \_\_\_\_\_ Illinois
- \_\_\_\_\_ Indiana
- \_\_\_\_\_ Maryland
- \_\_\_\_\_ Minnesota
- \_\_\_\_\_ New York
- \_\_\_\_\_ North Dakota
- \_\_\_\_\_ Rhode Island
- \_\_\_\_\_ Washington
- \_\_\_\_\_ Other

# PREVEER

## Schedule A 2021-2022 – United States

### **TABLET COMPUTER**

A brand-new Wi-Fi capable tablet computer comes with the latest version Microsoft Office (includes Word, Excel, PowerPoint, OneNote, Outlook, Publisher and Access). The tablet is a convenient way to utilize your extensive directory of vendor services, present to potential clients, and access the internet.

### **ELECTRONIC SIGNATURE SOFTWARE**

The Electronic Signature Software allows easy management of electronic agreements. This software will be included for the first year of your business.

### **PORTABLE IDENTITY PACKAGE**

A portable banner and banner stand will showcase your services in your office or conference room. Because it is collapsible and portable, it will make a great addition at tradeshows and networking events.

### **ONLINE & DIGITAL MARKETING LAUNCH**

When most people begin to look for outsourcing solutions, they begin their search online. We put a great deal of effort into building your online presence, then executing an aggressive advertising campaign to drive brand awareness and help with lead generation. It includes a combination of Search Engine Optimization for your website, Paid Search, Location Listings, Display Advertising, Retargeting, Pay-Per-Click Campaign, and Social Media Setup. We start by creating your online presence by building your website page and all your social media pages. Social Media is a powerful way to capture new customers for you and then keep your community engaged. Social media focuses on “engagement”, and we use it to target the right users. We will establish your social media sites such as Facebook, LinkedIn & Instagram to allow for local engagement. Content is provided for your social media sites, starting before you even launch your business so we can get the community excited in advance. Google My Business has also become a powerful platform. Your location will be setup with an *Enhanced Listing* to sync info up to 200+ networks and improve local search ranking on Facebook, Yelp, Apple Maps, Foursquare and more. Continuing to work with you at a local level after the launch of your business, we provide you the tools you need to grow the number of reviews customers leave about your business. Good reviews you receive can be automatically pushed to social media platforms.

### **MARKETING/PRINT MATERIALS**

A collection of stationary, brochures, informational rack cards and flyers will be printed with your **Preveer** store’s specific information. One box of double-sided color business cards will also be sent to you to help promote your new business.

**APPAREL PACKAGE**

An initial supply of **Preveer** embroidered uniform shirts is supplied to enhance and support other branding and advertising efforts you do in your local market. This **Apparel Package** will communicate a level of professionalism to your clients.

**SHIPPING AND DELIVERY**

Shipping and delivery are included in the package.

\* \* \* \* \*

Equipment Total    \$20,499\*  
                                 \* Plus Tax.

Because we are constantly improving our products and equipment, we reserve the right to revise, change and/or substitute product features, dimensions, specifications and designs without notice to improve our stores capabilities and quality. Prices are subject to change without notice.

**CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT**

This Addendum to the Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_ between Resource Operations International, LLC d/b/a Preveer (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of California; (b) Franchisee is a resident of the State of California; and/or (c) the Franchised Business will be located or operated in the State of California.
2. California Business and Professions Code Sections 20000 through 20043, the California Franchise Relations Act, 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.
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**FRANCHISOR:**

**FRANCHISEE:**

**Resource Operations International, LLC  
d/b/a Preveer**

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International LLC d/b/a Preveer, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

RESOURCE OPERATIONS INTERNATIONAL,  
LLC d/b/a PREVEER

[*individual owners:*]

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[*entity, if applicable:*]

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## INDIANA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Modified.** Any provision of the Agreement which would have any of the following effects is hereby modified the extent required for the Agreement to be in compliance with the Indiana Acts.

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.



(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

**3. Effective Date.** This Addendum is effective as of the Effective Date.

*[Signatures On Next Page]*

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.
- 2. No Waiver of State Law In Sale.** Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Preveer shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Preveer or any other person from liability under the Maryland Franchise Law.
- 3. No Release of Liability.** Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.
- 4. Statute of Limitations.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.
- 5. Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
- 6. Surety Bond.** Preveer has posted a surety bond with SureTec Insurance Company. This surety bond is on file with the Maryland Securities Division.
- 7. Effective Date.** This Addendum is effective as of the Effective Date.

*[Signatures On Next Page]*

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

**2. Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 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 agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

**3. Effective Date.** This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.
- 2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Preveer or any other person from any duty or liability imposed by New York General Business Law, Article 33.
- 3. Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Preveer with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.
- 4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.
- 5. Effective Date.** This Addendum is effective as of the Effective Date.

*[Signatures On Next Page]*

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

**2. Amendments.** The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary & Punitive Damages: Franchisee does not waive exemplary and punitive damages.
- (8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

**3. Effective Date.** This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT**

This Addendum amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between Resource Operations International, LLC d/b/a Preveer, a Florida limited liability company (“Preveer”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

**2. Jurisdiction and Venue.** Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

**3. Effective Date.** This Addendum is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

[*individual owners:*]

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

[*entity, if applicable:*]

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

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

RCW 19.100.180 w 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 involving a franchise purchased in Washington, the arbitration or mediation site will either be either in the State of Washington, or in a place mutually agreed upon at the time of the 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 shall 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 49.62.62.020, 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.

**Use of Franchise Brokers.** The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Agreed to by:

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

*[individual owners:]*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

*[entity, if applicable:]*

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT B**

**FINANCIAL STATEMENTS**

Resource Operations International, LLC  
dba Preveer

Audited Financial Statements

June 30, 2021, June 30, 2020 and June 30, 2019

RESOURCE OPERATIONS INTERNATIONAL, LLC  
DBA PREVEER

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**MILBERY & KESSELMAN**  
CERTIFIED PUBLIC ACCOUNTANTS

To Management  
Resource Operations International, LLC dba Preveer  
West Palm Beach, Florida

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Resource Operations International, LLC dba Preveer, which comprises the balance sheets as of June 30, 2021, June 30, 2020 and June 30, 2019, and the related statements of income and member's equity, and cash flows for the periods then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resource Operations International, LLC dba Preveer as of June 30, 2021, June 30, 2020 and June 30, 2019, and the results of its operations and its cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

*Milbery & Kesselman, CPAs*

Milbery & Kesselman, CPAs, LLC  
October 21, 2021

**Resource Operations International, LLC dba Preveer**  
**Balance Sheets**  
**As of June 30, 2021, June 30, 2020 and June 30, 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 101,516	\$ 840	\$ -
Accounts Receivable, net	944	-	-
Loans Receivable - Related Parties	71,246	24,995	-
Prepaid Expenses	169	31,000	70
Promissory Notes (net of Allowance for Credit Losses)	<u>13,428</u>	<u>-</u>	<u>-</u>
Total Current Assets	187,303	56,835	70
Property and Equipment, net	-	-	-
<b>Other Assets</b>			
Intangible Assets, net	65,806	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 253,109</u></u>	<u><u>\$ 56,835</u></u>	<u><u>\$ 70</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 26,852	\$ 3,719	\$ -
Accounts Payable - Related Parties	-	-	70
Franchise Deposits	<u>16,000</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	42,852	3,719	70
<b>Long Term Liabilities</b>			
Notes Payable	243,681	-	-
<b>TOTAL LIABILITIES</b>	<u><u>286,533</u></u>	<u><u>3,719</u></u>	<u><u>70</u></u>
<b>MEMBER'S EQUITY (DEFICIT)</b>	(33,424)	53,116	-
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<u><u>\$ 253,109</u></u>	<u><u>\$ 56,835</u></u>	<u><u>\$ 70</u></u>

See accompanying independent auditor's report and notes to financial statements

**Resource Operations International, LLC dba Preveer**  
**Statements of Income and Member's Equity**  
**For the periods ended June 30, 2021, June 30, 2020 and June 30, 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Income</b>			
Franchise Fees	\$ 85,773	\$ -	\$ -
Product	6,092	-	-
<b>Total Income</b>	<u>91,865</u>	<u>-</u>	<u>-</u>
<b>Cost of Goods Sold</b>	36,234	-	-
<b>Gross Profit</b>	<u>\$ 55,631</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
Advertising	30,727	668	-
Amortization	13,194	-	-
Automobile	1,183	-	-
Bad Debt Expense	1,523	-	-
Bank Service Charges	453	289	-
Computer and Internet	11,158	910	-
Dues and Subscriptions	276	-	-
Insurance	825	-	-
Licensing and Registration	6,259	7,526	-
Office	446	94	-
Payroll	63,527	21,824	-
Professional Fees	14,450	15,460	-
Rent	1,139	-	-
Telephone	797	113	-
Travel	9,582	-	-
<b>Total Expenses</b>	<u>155,539</u>	<u>46,884</u>	<u>-</u>
<b>Net Loss before Other Income</b>	\$ (99,908)	\$ (46,884)	\$ -
<b>Other Income</b>			
Interest and Dividend Income	61	-	-
Gain on Extinguishment of Debt	13,307	-	-
<b>Total Other Income</b>	<u>13,368</u>	<u>-</u>	<u>-</u>
<b>Net Loss</b>	<u>\$ (86,540)</u>	<u>\$ (46,884)</u>	<u>\$ -</u>
<b>Members' Equity, Beginning</b>	53,116	-	-
<b>Members' Contributions</b>	-	100,000	-
<b>Members' Equity (Deficit), Ending</b>	<u>\$ (33,424)</u>	<u>\$ 53,116</u>	<u>\$ -</u>

See accompanying independent auditor's report and notes to financial statements

**Resource Operations International, LLC dba Preveer**  
**Statement of Cash Flows**  
**For the periods ended June 30, 2021, June 30, 2020 and June 30, 2019**

	2021	2020	2019
<b>Cash Flows from Operating Activities</b>			
<b>Net Loss</b>	\$ (86,540)	\$ (46,884)	\$ -
<b>Adjustments to Reconcile Net Loss to Net Cash used in Operations:</b>			
Amortization	13,194	-	-
(Increase) Decrease in Accounts Receivable	(944)	-	-
(Increase) Decrease in Loans Receivable - Related Parties	(46,251)	(24,995)	-
(Increase) Decrease in Prepaid Expenses	30,831	(30,930)	(70)
Increase in Accounts Payable	23,133	3,719	-
Increase (Decrease) in Accounts Payable - Related Parties	-	(70)	70
Increase (Decrease) in Franchise Deposits	16,000	-	-
<b>Cash used in Operating Activities</b>	<b>(50,577)</b>	<b>(99,160)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Intangible Assets	(79,000)	-	-
<b>Cash used in Investing Activities</b>	<b>(79,000)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
Promissory Notes	(13,428)	-	-
Members' Contributions	-	100,000	-
<b>New Borrowings:</b>			
Long Term	243,681	-	-
<b>Cash provided by Financing Activities</b>	<b>230,253</b>	<b>100,000</b>	<b>-</b>
<b>Increase in Cash</b>	<b>100,676</b>	<b>840</b>	<b>-</b>
<b>Beginning Balance</b>	<b>840</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>\$ 101,516</b>	<b>\$ 840</b>	<b>\$ -</b>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash paid during the year:

	\$ -	\$ -	\$ -
Interest			

**Resource Operations International, LLC dba Preveer  
(A Limited Liability Company)**

**Notes to Financial Statements**

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**Note 1 Summary of Significant Accounting Policies**

Nature of business – Resource Operations International, LLC dba Preveer (the “Company”), a Florida limited liability company was formed on April 1, 2019 and is headquartered in West Palm Beach, Florida. The Company sells franchises that allow the purchaser to own and operate a franchised business which helps businesses contract out various services, including technology, back office, creative, and professional services.

The Company has elected a fiscal year end of June 30.

A summary of the Company’s significant accounting policies follows:

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

Revenue recognition - Initial franchise fees are recognized as revenue when services required under the franchise agreement have been performed by the Company. Franchise royalty revenues are based on franchisees’ sales and are recognized as earned. Product and equipment revenue is recorded when legal title is transferred to the customer, generally when the product is shipped.

Cash concentration - The Company maintains its cash in one bank account which, at times, may exceed the federally-insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant credit risk on such accounts.

Accounts receivable - Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due.

Credit risk - The Company performs on-going credit evaluations of each franchisee’s financial condition. Accounts receivables are principally with franchises that are secured under the franchise agreements. The franchise agreements provide the Company with certain collateral, including inventory and fixed assets. Consequently, risk of loss is considered minimal.

Intangible assets – Intangible assets subject to amortization include computer software, which is being amortized on a straight-line basis over 3 years.

Long-lived assets – Long-lived assets held for use are subject to an impairment assessment if the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset. The amount of the impairment is the difference between the carrying amount and the fair value of the asset. The Company’s estimate of undiscounted cash flows indicated that such carrying amounts were expected to be recovered.

**Resource Operations International, LLC dba Preveer  
(A Limited Liability Company)**

**Notes to Financial Statements**

---

**Note 1 Summary of Significant Accounting Policies (Continued)**

Advertising – Advertising primarily consists of the outside costs related to lead development. Advertising costs are expensed as incurred and were \$30,727 for the period ended June 30, 2021, \$668 for the period ended June 30, 2020, and \$0 for the period ended June 30, 2019.

Income taxes - The Company has elected to be taxed under sections of the federal and state income tax laws that provide that, in lieu of corporate income taxes, the members separately account for their pro rata shares of the Company's items of income, deduction, losses and credits. Therefore, no provision for income taxes is reflected in the Company's financial statements.

Adoption of new accounting standard - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective July 1, 2019, the first day of the Company's fiscal year using the modified retrospective approach. Prior period amounts continue to be reported in accordance with legacy GAAP.

As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

The impact of applying this ASU for the year ended June 30, 2021 resulted in no adjustment to the financial statements.

Subsequent Events – Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through October 21, 2021, which is the date the financial statements were available for issuance.

**Note 2 Cash and Cash Equivalents**

The Company maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At June 30, 2021, June 30, 2020 and June 30, 2019, the Company didn't have any uninsured cash balances.

**Resource Operations International, LLC dba Preveer  
(A Limited Liability Company)**

**Notes to Financial Statements**

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**Note 3     Accounts Receivable**

Accounts receivable at June 30, 2021, 2020, and 2019 consisted of the following:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Franchise Fees Receivable	\$ 944	\$ -	\$ -
Less Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 944</u>	<u>\$ -</u>	<u>\$ -</u>

The bad debt deducted for the period ended 2021 was \$1,523. The bad debt deducted for the period ended 2020 was \$0. The bad debt deducted for the period ended 2019 was \$0.

**Note 4     Promissory Notes**

The Company has promissory notes receivable with various franchisees; the notes bear 0% interest rate per annum, and are amortized over periods of 6 to 8 months. On promissory notes bearing an interest rate below market, imputed interest is calculated and the note value is discounted.

**Note 5     Long Term Debt**

On June 30, 2021, the Company executed a promissory note for \$243,681 with a related party. The loan bears 0% interest rate per annum and shall be paid in one balloon payment on or before June 30, 2024. As of June 30, 2021, the outstanding principal amount of the note payable was \$243,681.

Future minimum principal payments on the long term debt as of June 30, 2021 are as follows:

For the period ending June 30,	
2024	<u>\$ 243,681</u>

**Note 6     Revenue Recognition in Accordance with FASB ASC 606**

Contract balances

Contract balances from contracts with customers were as follows as of June 30:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contract assets	\$ -	\$ -	\$ -
Contract liabilities	-	-	-

The accompanying independent auditor's report should be read with these notes

**Resource Operations International, LLC dba Preveer  
(A Limited Liability Company)**

**Notes to Financial Statements**

---

**Note 6 Revenue Recognition in Accordance with FASB ASC 606 (Continued)**

Disaggregation of revenue

The Company derives its revenues primarily from the sale of franchises. Revenue from performance obligations satisfied at a point in time consists of franchise fees, royalties, and other income. Revenue from performance obligations satisfied over time consists of the sale of master licenses and renewal franchise fees.

Performance obligations

For performance obligations related to the franchise fees, control transfers to the customer at a point in time. Revenues are recognized when the franchisee training is completed and the equipment is delivered.

For performance obligations related to royalties and other income, control transfers to the customer at a point in time. Royalty revenues are recognized monthly based on the monthly sales from the franchisees.

For performance obligations related to master licenses and renewal franchise fees, control transfers to the customer over time. Revenues are recognized over the term of the contract.

Significant judgments

The Company sells franchises for an agreed upon contract amount. For fixed fee contracts, the Company is entitled to payment upon signing of the franchise agreement and recognizes the revenues when the performance obligations have been met.

**Note 7 Transactions with Related Parties**

The Company reimburses and receives reimbursements to and from Related Parties, for certain operating expenses, including payroll and other administrative expenses. For the year ended June 30, 2021, related party balances included loans receivable of \$71,246 and notes payable of \$243,681. For the year ended June 30, 2020, related party balances included loans receivable of \$24,995. For the year ended June 30, 2019, related party balances included accounts payable of \$70.

**Note 8 Gain on Extinguishment of Debt**

United Franchise Group Payroll Inc (UFGP), a related party, administers all payroll for the related entities. Payroll is allocated to each entity based on actual hours worked for each related entity. On April 21, 2020, UFGP was granted a loan from First American Bank, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act. The loan was allocated to the related entities based on the payroll allocation for the 2021 year. The loan allocation for the Company was \$13,307.



**Resource Operations International, LLC dba Preveer  
(A Limited Liability Company)**

**Notes to Financial Statements**

---

**Note 8 Gain on Extinguishment of Debt (Continued)**

UFGP applied for and was granted loan forgiveness on June 11, 2021 for the entire amount of the loan in eligible expenditures for payroll and other expenses described in the CARES Act. Loan forgiveness has been granted and therefore reflected in Other Income in the accompanying Consolidated Statement of Income and Member's Equity.

**Note 9 Risks and Uncertainties**

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020 the *World Health Organization* designated the coronavirus outbreak a pandemic. Management continues to evaluate and monitor the potential adverse effect that this event may have on the Company's financial position, operations, and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

## **EXHIBIT C**

### **TABLE OF CONTENTS TO OPERATIONS MANUAL**

**Preveer**  
**Operations Manual**  
*Table of Contents*



<b>Section (Including Cover Pages)</b>	<b>Number of Pages</b>
Preface & Introduction	30
Establishing the Business	44
Personnel	87
Administrative Procedures	23
Daily Procedures	26
Marketing	21
<b>Total Number of Pages</b>	<b>231</b>

**EXHIBIT D**

**AGENTS FOR SERVICE OF PROCESS /  
STATE ADMINISTRATORS**

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b><u>CALIFORNIA</u></b>	California Department of Financial Protection and Innovation 2101 Arena Blvd. Suite 200 Sacramento, CA 95834 (213) 576-7500 (866) 275-2677	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation 2101 Arena Blvd. Suite 200 Sacramento, CA 95834 (213) 576-7500
<b><u>ILLINOIS</u></b>	Attorney General State of Illinois 500 South Second Street Springfield, IL 62706	Attorney General State of Illinois 500 South Second Street Springfield, IL 62706
<b><u>INDIANA</u></b>	Securities Commissioner Indiana Securities Division 302 West Washington, Room E-111 Indianapolis, IN 46204	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
<b><u>MARYLAND</u></b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202	Securities Commissioner Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020
<b><u>MICHIGAN</u></b>	Consumer Protection Division Attn.: Franchise G. Mennen Williams Building, First Floor 525 West Ottawa Street Lansing, MI 48933	Consumer Protection Division Attn.: Franchise G. Mennen Williams Building, First Floor 525 West Ottawa Street Lansing, MI 48933
<b><u>MINNESOTA</u></b>	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101-3165	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East Suite 280 St. Paul, MN 55101
<b><u>NEW YORK</u></b>	Bureau of Investor Protection and Securities New York State Department of Law 28 Liberty St. 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
<b><u>NORTH DAKOTA</u></b>	North Dakota Securities Department State Capital, 5th Floor 600 East Boulevard Avenue Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Department State Capital, 5th Floor 600 East Boulevard Avenue Bismarck, ND 58505 (701) 328-4712

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b><u>RHODE ISLAND</u></b>	Rhode Island Department of Business Regulation Securities Section John O. Pastore Complex – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920	Rhode Island Department of Business Regulation Securities Section John O. Pastore Complex – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920
<b><u>SOUTH DAKOTA</u></b>	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501
<b><u>VIRGINIA</u></b>	State Corporation Commission Division of Securities and Retail Franchise 1300 East Main Street, 9th Floor Richmond, VA 23219	Clerk of the State Corporation Commission Tyler Building, 1 <sup>ST</sup> Floor 1300 E. Main Street Richmond, VA 23219
<b><u>WASHINGTON</u></b>	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501
<b><u>WISCONSIN</u></b>	Division of Securities Department of Financial Institutions 201 W. Washington Avenue, Suite 300 Madison, WI 53703	Division of Securities Department of Financial Institutions 201 W. Washington Avenue, Suite 300 Madison, WI 53703

**EXHIBIT E**  
**GENERAL RELEASE**

## GENERAL RELEASE AGREEMENT

**THIS GENERAL RELEASE AGREEMENT** (“Agreement”) is made between **RESOURCE OPERATIONS INTERNATIONAL, LLC d/b/a PREVEER**, a Florida limited liability company (hereinafter referred to as the “Franchisor”) and \_\_\_\_\_ (hereinafter referred to as the “Franchisee”).

### *INTRODUCTION*

The Franchisor and the Franchisee entered into a Franchise Agreement (the “original Franchise Agreement”) dated \_\_\_\_\_, pursuant to which the Franchisor granted the Franchisee a Preveer Business.

A. The parties desire to terminate the original Franchise Agreement on the terms and conditions set forth in this Agreement.

B. This Agreement has been supported by full and adequate consideration, receipt of which is hereby acknowledged by both the Franchisee and the Franchisor.

The parties agree as follows:

1. **Termination of Franchise Agreement.** The parties agree that, subject to Section 3 hereof, the original Franchise Agreement and all obligations of the Franchisee and Franchisor under or arising from the original Franchise Agreement are hereby terminated.

2. **Mutual General Releases.** Subject to Section 3 hereof, the Franchisee, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisor and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisee ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement, the Franchisor’s offer, sale or negotiation of the Preveer franchise, the relationship of the parties arising therefrom, or the Franchisor’s conduct in obtaining and entering into agreements.

Subject to Section 3 hereof, the Franchisor, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisee and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisor ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement.

3. **Post-Term Covenants; Special Stipulation.** The termination and release provided in this Agreement shall have no effect on those obligations of the Franchisee (and its owners and guarantors, if any) arising out of the original Franchise Agreement or any other agreement which otherwise expressly or by their nature survive the termination of the original Franchise Agreement, including, without limitation, obligations pertaining to the Franchisee’s indemnification obligations and nondisclosure of the Franchisor’s confidential information. In addition, all obligations of the parties, if any, in the original Franchise



Agreement pertaining to mediation, litigation and arbitration of disputes and jurisdiction and venue for dispute resolution, shall apply with equal force to the terms and conditions of this Agreement, as if set forth herein. Such obligations shall continue in full force and effect in accordance with their terms subsequent to termination of the original Franchise Agreement and until they are satisfied or by their nature expire. The Franchisee acknowledges and agrees it has no right, title or interest in and to the trademarks associated with Franchisor's franchise system, including, without limitation, "Preveer", and any colorable imitation thereof. The Franchisee represents it has returned (or turned over) all intellectual property associated with the Preveer Business and Franchisor's franchise system to Franchisor (or a Successor Franchisee, if applicable) which is acknowledged to belong to Franchisor including, but not limited to, all materials containing confidential information, operations manuals, client lists, and any materials with display the Preveer trademarks. Franchisee acknowledges and agrees it has no right, title or interest in and to the intellectual property associated with the Preveer Business or the franchise system and no right to retain copies or make further use of such intellectual property. Franchisee agrees to return and turn over to Franchisor all digital assets, including, but not limited to, all digitally-stored content (such as images, photos, videos and text files), whether stored locally at the business or accessible via the internet, the cloud, or another digital storage device (such as a USB drive or zip drive) or stored with a third-party digital-storage provider (such as OneDrive™ or Dropbox™); and all user names and passwords for any and all email accounts, social networking websites (such as Facebook™, Twitter™, LinkedIn™, Google+™, YouTube™, Pinterest™, Instagram™, Tumblr™, Flickr™, Reddit™, Snapchat™, and WhatsApp™), blogs, review websites (such as Yelp™ or Angie's List™), and any other online communities where the Franchise Business created or shared online content, or held itself out as speaking for or representing the Franchise Business. Franchisee acknowledges and agrees it has no right, title or interest in and to the intellectual property associated with the Franchise Business or the franchise system and no right to retain copies, disclose or make further use of such intellectual property, except with regard to customer records for tax purposes.

4. **Confidentiality**. It is acknowledged by the Franchisee that the terms of this Agreement are in all respects confidential in nature, and that any disclosure or use of the same by the Franchisee may cause serious harm or damage to the Franchisor, and its owners and officers. Therefore, the Franchisee agrees, either directly or indirectly by agent, employee, or representative, not to disclose the termination, this Agreement or the information contained herein, either in whole or in part, to any third party, except as may be required by law.

5. **Non-Disparagement**. The parties agree that at no time will they make any derogatory statements about or otherwise disparage, defame, impugn or damage the reputation of integrity of the others, provided that nothing in this paragraph will preclude any party from providing truthful information in response to compulsory legal process. The parties further agree not to, and to use their best efforts to cause any of the parties' agents, employees or affiliates not to, disparage or otherwise speak or write negatively, directly or indirectly, of the parties' brands, systems, or any other servicemarked or trademarked concept of the parties or the parties' affiliates, or which would subject such brands, systems or concepts to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of the parties or their brands, systems or servicemarked or trademarked concepts.

6. **Binding Effect**. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, successors, and permitted assigns.

7. **Interpretation**. Each of the parties acknowledges that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the execution of this Agreement and all of the other documents executed incidental hereto, if any, and, therefore, the parties agree that none of the provisions of this Agreement or any of the other documents should be construed against any party more strictly than against the other.

8. **Entire Agreement.** This Agreement, including any Schedules attached hereto (which are considered a part of this Agreement), represent the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersede all other negotiations, understandings and representations if any made by and between the parties.

9. **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.), this Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without regard to principles of conflicts of laws.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution by telex or by telecopy facsimile signature page shall be binding upon any party so confirming or telecopying.

11. **Effectiveness of Agreement.** This Agreement shall not be effective until it has been signed by the Franchisee and an authorized officer of the Franchisor and delivered fully executed to the Franchisee and the Franchisor.

**THE UNDERSIGNED** have read, fully understand, and, by executing below, agree to the terms and conditions of this Agreement.

**Resource Operations International LLC  
d/b/a Preveer**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

**The Franchisee:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

**SCHEDULE A  
ADDITIONAL TERMS AND CONDITIONS**

**FOR TRANSFER AND ASSUMPTION OF FRANCHISE**

The Franchisee desires to transfer its rights to operate its Preveer franchise operated under the original Franchise Agreement (the "Preveer Business") to a successor franchisee, \_\_\_\_\_ ("Successor Franchisee"). The Successor Franchisee desires to continue operating such Preveer Business pursuant to a Successor Franchise Agreement with Franchisor. The terms and conditions of this Schedule "A" supplement the terms and conditions of the foregoing General Release Agreement of which this Schedule forms a part.

The parties agree that the foregoing recitals are true and correct, and for good and valuable consideration, the receipt of which is acknowledged by each of the parties, the parties agree as follows:

1. **Transfer.** Effective as of the date of this Agreement, the Franchisee does hereby bargain, sell, assign, convey, and transfer all of Franchisee's rights to the Successor Franchisee to operate the Preveer Business, pursuant to the Successor Franchise Agreement and any related written agreements between the Successor Franchisee and Franchisor. Subject to the terms of such Successor Franchise Agreement and related written agreements with Franchisor, the Successor Franchisee hereby accepts and assumes the rights and obligations of the Franchisee to operate the Preveer Business. If for any reason the sale of Franchisee's business to Successor Franchisee is not completed, the General Release Agreement will be deemed null and void and Franchisee shall continue to operate the Preveer Business under the terms of the original Franchise Agreement. Unless otherwise provided in a written agreement between Franchisee and Successor Franchisee, Franchisee, during the period from the date hereof to the final closing date of the sale of the Preveer Business to the Successor Franchisee, shall operate the Preveer Business for his/her own account.

2. **Successor Agreements and Payments.** The Successor Franchisee is hereby delivering to Franchisor its duly signed Successor Franchise Agreement and any related agreements that may be required as a result of this transaction under the original Franchise Agreements. The Successor Franchise Agreement means the current standard form of Franchise Agreement required by the Franchisor, subject to any modifications consented to in writing by Franchisor. No initial franchise fee shall be due under the Successor Franchise Agreement from the Successor Franchisee.

3. **Consents, Subordination and Acknowledgments.** The Franchisor consents to the transfer to and assumption by the Successor Franchisee in accordance with this Agreement. Such consent does not constitute approval of, or agreement with, any of the provisions of any agreement (other than this Agreement) between the Franchisee and Successor Franchisee. The Franchisee and Successor Franchisee specifically acknowledge that the Franchisor is not a party to any such agreements. The Franchisee agrees that its rights, pursuant to any agreements with the Successor Franchisee, are subject to and subordinate in all respects to Franchisor's rights under the Successor Franchise Agreement and all related agreements, if any, between the Franchisor and Successor Franchisee, including all renewals, modifications, and extensions, if any, to such agreements. The Successor Franchisee agrees that its rights concerning the Franchisor exist pursuant only to the written agreements entered between the Franchisor and Successor Franchisee, and in the event of any conflict with the terms of this Agreement, except regarding the waiver of the payment of an initial franchise fee, the terms of such other agreements shall control. The Successor Franchisee acknowledges that it has received and reviewed the General Release Agreement of which this Schedule "A" forms a part. The Successor Franchisee further acknowledges that, except as expressly provided in this Agreement, Franchisor has no liability with respect to, related to, or arising out of, any transaction between the Franchisee and Successor Franchisee, and releases, indemnifies and holds the Franchisor harmless from same.

**Resource Operations International LLC  
d/b/a Preveer**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

**Franchisee:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

---

*(Print Entity Name if one)*

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

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

**Successor Franchisee:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

---

*(Print Entity Name if one)*

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

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

**EXHIBIT F**

**LIST OF CURRENT AND FORMER FRANCHISEES**

**LIST OF CURRENT FRANCHISEES**

<b>NAME</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE NO.</b>
Patricia Kimmel	15059 Woodbury Road	Brooksville	FL	34604	(352) 584-4087
Michael Eldridge	10285 SW 176th Street	Miami	FL	33157	(786) 760-6447
Ben Bamba	1424 Buck Trail Rd	Allentown	PA	18104	(484) 350-9668

**LIST OF FRANCHISEES, SIGNED BUT NOT OPENED**

<b>NAME</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE NO.</b>
Clarence Hunt II	408 Griffin Street	McLeansville	NC	27301	(336) 382-6753
Julie Valsien	745 SE Fallon Drive	Port St Lucie	FL	34983	(561) 870-5121
William Pickard	2551 Morrison Road	Fremont	OH	43420	(419) 307-4857
Jorge Milan	17034 SW 34th Street	Miramar	FL	33027	(305) 342-9320

**LIST OF TERMINATED, CANCELLED OR NOT RENEWED FRANCHISEES**

<b>NAME</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP CODE</b>	<b>PHONE NO.</b>
Richard Shtrax*	11560 NW 56th Drive	Coral Springs	FL	33076	(786) 316-5676
Henry Nahmad*	1000 West Ave #824	Miami Beach	FL	33139	(305) 613-7927
Brian Allen*	318 E 18 <sup>th</sup> St	Tulsa	OK	74120	(918) 506-1612

\*Franchisees were partners who executed franchise agreements concurrently

**EXHIBIT G**  
**DEPOSIT RECEIPT**

# PREVEER

BUSINESS CONSULTING EXPENSE MANAGEMENT

## DEPOSIT RECEIPT

By this receipt, **Resource Operations International LLC d/b/a Preveer** acknowledges that it has received a fully refundable deposit of **\$5,500** from:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

together with an application for a **Preveer** Franchise Business.

We've reviewed your application within our offices and would be pleased to move forward.

The deposit you paid will, at the time of signing your Franchise Agreement, be credited to the remainder of the franchise fee. In the event that you decide not to accept the Franchise Agreement for any reason, your deposit will be fully refunded.

Thank you for your sincere interest in purchasing a **Preveer** Franchise Business.

Sincerely,

**RESOURCE OPERATIONS INTERNATIONAL, LLC d/b/a PREVEER**

By: \_\_\_\_\_

### **PREVEER CANDIDATE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



**EXHIBIT H**  
**COMPLIANCE CERTIFICATION**

**RESOURCE OPERATIONS INTERNATIONAL, LLC D/B/A PREVEER**  
**COMPLIANCE CERTIFICATION**

You are preparing to enter into a Franchise Agreement for the establishment and operation of a Preveer Franchise Business. The purpose of this Compliance Certification is to determine whether any statements or promises were made to you that Resource Operations International LLC d/b/a Preveer (the “Franchisor”) has not authorized and that may be untrue, inaccurate, or misleading.

**A. The following dates are true and correct:**

1.     \_\_\_\_\_     \_\_\_\_\_     The date on which I first received the Franchisor’s Franchise Disclosure Document about the Preveer business.  
           (Date)       (Initials)
  
2.     \_\_\_\_\_     \_\_\_\_\_     The date of my first face-to-face meeting with a Franchise sales representative of the Franchisor to discuss the possible purchase of a Franchise.  
           (Date)       (Initials)
  
3.     \_\_\_\_\_     \_\_\_\_\_     The date on which I signed the contracts and agreements as disclosed in my Franchise Disclosure Document  
           (Date)       (Initials)
  
4.     \_\_\_\_\_     \_\_\_\_\_     The earliest date on which I delivered cash, check, or other consideration to the Franchisor in connection with the purchase of a Preveer Franchise.  
           (Date)       (Initials)

**B. Please review each of the following questions carefully and provide honest and complete responses to each question:**

1.     Have you personally reviewed the Franchise Agreement and the Preveer Disclosure Document?   Yes \_\_\_\_ No \_\_\_\_
  
2.     Do you understand all of the information contained in the Franchise Agreement and the Disclosure Document?     Yes \_\_\_\_ No \_\_\_\_

If “No”, what parts of the Franchise Agreement and/or the Disclosure Document do you not understand?                   (Attach additional pages, if necessary)

\_\_\_\_\_

\_\_\_\_\_

3.     Have you discussed the benefits and risks of establishing and operating a Preveer Franchise Business with an attorney, accountant, or other professional advisor?  
       Yes \_\_\_\_       No \_\_\_\_
  
4.     Do you understand that the success or failure of your Preveer Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation and other economic and business factors?  
       Yes \_\_\_\_       No \_\_\_\_
  
5.     Has any employee speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits, or operating costs of a Preveer Business operated by the Franchisor or its franchisees?    Yes \_\_\_\_    No \_\_\_\_
  
6.     Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the total amount of revenue you might achieve or operating profit you might realize from a Preveer Business?   Yes \_\_\_\_    No \_\_\_\_

7. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a Preveer Business that is contrary to or different from the information contained in the Disclosure Document? Yes \_\_\_\_ No \_\_\_\_
  
8. Has any employee speaking on behalf of the Franchisor made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?  
Yes \_\_\_\_ No \_\_\_\_
  
9. Do you understand that your initial franchise fee is nonrefundable upon entering into a Franchise Agreement? Yes \_\_\_\_ No \_\_\_\_

**C. If you have answered “Yes” to any one of questions B. 58, or “No” to question B. 9 please provide a full explanation of each “Yes” answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below) If you have answered “No” to each of questions B. 58 and “Yes” to question B.9, please leave the following lines blank.**

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Nothing in this Certificate shall act as a release, estoppel or waiver of any liability of Resource Operations International LLC d/b/a Preveer under the Maryland Franchise Registration and Disclosure Law.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Compliance Certification, you are representing that you have responded truthfully to the above questions.

**FRANCHISE APPLICANT:**

Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Date: \_\_\_\_\_

**APPROVED BY:**

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

*(If applicable)*

\_\_\_\_\_  
 Corporation Name

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

# **EXHIBIT I**

## **NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

**NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

**THIS NONDISCLOSURE AND NONCOMPETITION AGREEMENT** (this “Agreement”) made as of the \_\_\_\_\_, (“Effective Date”) is by and between \_\_\_\_\_ (“FRANCHISEE”) d/b/a a Preveer franchise (the “Preveer Franchise”), Resource Operations International LLC d/b/a Preveer, a Florida limited liability company (“COMPANY”) and \_\_\_\_\_ a resident of the State of \_\_\_\_\_, (“INDIVIDUAL”) (collectively, the “Parties”).

**W I T N E S S E T H:**

WHEREAS, FRANCHISEE is a party to that certain franchise agreement dated \_\_\_\_\_ (the “Franchise Agreement”) by and between FRANCHISEE and COMPANY; and

WHEREAS, FRANCHISEE desires INDIVIDUAL to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, FRANCHISEE is required by the Franchise Agreement to have INDIVIDUAL execute this Agreement prior to providing INDIVIDUAL access to said Trade Secrets and other Confidential Information; and

WHEREAS, INDIVIDUAL understands the necessity of not disclosing any such information to any other party or using such information to compete against COMPANY, FRANCHISEE or any other franchisee of COMPANY in any business (i) that offers or provides services or products the same as or similar to those provided by FRANCHISEE or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of FRANCHISEE, or COMPANY, any affiliate of COMPANY or COMPANY’s other franchisees (hereinafter the “Competitive Business,” as more particularly described below);

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the Parties hereby mutually agree as follows:

**1. Trade Secrets and Confidential Information**

INDIVIDUAL acknowledges and understands FRANCHISEE possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a “Trade Secret” is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords and lists of actual or potential clients or suppliers) related to or used in the development and/or operation of Preveer franchises that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement, “Confidential Information” means technical and nontechnical information used in or related to the development and/or operation of Preveer franchises that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the operations manual and training guides and materials. In addition, any other

information identified as confidential when delivered by FRANCHISEE shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of INDIVIDUAL; (ii) INDIVIDUAL can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure by FRANCHISEE pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by COMPANY or FRANCHISEE as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve INDIVIDUAL of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. INDIVIDUAL understands FRANCHISEE’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between INDIVIDUAL and FRANCHISEE with respect to the Trade Secrets and other Confidential Information.

d) For the purposes of this Agreement, a “Competitive Business” is any business which provides one or more of the following services: business appraisal and valuation services; consulting services in the field of business acquisitions and mergers; business advice and consulting services relating to franchising; business advice and consulting services related to the establishment and operation of franchises; the business of referring prospective franchisees to franchisors; the business of marketing and advertising businesses for sale; business services involving the matching of investors to businesses needing funding; business development services; business brokerage services; business valuation services; business of brokering share sales and purchases for businesses; and/or business of brokering shares raising capital for business acquisitions and mergers.

e) The term “Competitive Business” shall not apply to any business operated by FRANCHISEE under a Franchise Agreement with COMPANY.

## **2. Confidentiality/Non-Disclosure**

a) INDIVIDUAL shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of FRANCHISEE, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, INDIVIDUAL must take all steps reasonably necessary and/or requested by COMPANY and FRANCHISEE to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. INDIVIDUAL must comply with all applicable policies, procedures and practices that COMPANY and FRANCHISEE have established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) INDIVIDUAL’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination or expiration of INDIVIDUAL’s relationship with FRANCHISEE, regardless of the reason or reasons for termination or expiration, and whether such termination or expiration is voluntary or involuntary, and FRANCHISEE and/or COMPANY are entitled to communicate INDIVIDUAL’s obligations under this Agreement to any future client or employer to the extent deemed necessary by FRANCHISEE and/or COMPANY for protection of their rights hereunder and regardless of whether INDIVIDUAL or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in an Experimax Store.

### **3. Non-Competition**

a) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years after the expiration or termination of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of expiration or termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or client of FRANCHISEE to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the COMPANY's trademark "Preveer", "Resource Operations International" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the COMPANY designates to be used in connection with Preveer franchises.

b) During the term of INDIVIDUAL's relationship with FRANCHISEE, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of FRANCHISEE and COMPANY.

c) For a two (2) year period following the term of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business within the Designated Marketing Area of FRANCHISEE's Preveer Franchise, within ten (10) miles of FRANCHISEE'S Designated Marketing Area, within the Designated Marketing Area of any other Preveer franchise and within ten (10) miles of the Designated Marketing Area of any other Preveer franchise without the express written consent of FRANCHISEE and COMPANY.

d) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years thereafter, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any other Preveer franchise or franchisee to compete against, terminate or modify his, her or its business relationship with COMPANY.

### **4. Reasonableness of Restrictions**

INDIVIDUAL acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of FRANCHISEE, COMPANY, and COMPANY's Trade Secrets and other Confidential Information, the COMPANY's business system, network of franchises and trade and service marks, and INDIVIDUAL waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then INDIVIDUAL shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

**5. Relief for Breaches of Confidentiality, NonSolicitation and NonCompetition**

a) INDIVIDUAL further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause FRANCHISEE and COMPANY immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, FRANCHISEE and COMPANY shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by INDIVIDUAL of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that FRANCHISEE and COMPANY may have at law or in equity.

b) In addition, in the event of a violation of the covenants contained in the Agreement, the Parties agree that damages for such violations would be difficult to quantify. Due to the difficulty in the quantification of resulting damages, the Parties agree that COMPANY would be entitled to liquidated damages in the amount of \$85,500 per event of violation.

**6. Miscellaneous**

a) This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between INDIVIDUAL, COMPANY and FRANCHISEE with respect to the subject matter hereof. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the Parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

**c) ANY ACTION BROUGHT BY ANY OF THE PARTIES, SHALL ONLY BE BROUGHT IN THE APPROPRIATE STATE COURT LOCATED IN OR SERVING PALM BEACH COUNTY, FLORIDA. THE PARTIES WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSES OF CARRYING OUT THIS PROVISION. CLAIMS FOR INJUNCTIVE RELIEF MAY ALSO BE BROUGHT BY COMPANY OR FRANCHISEE WHERE FRANCHISEE IS LOCATED. THIS EXCLUSIVE CHOICE OF JURISDICTION AND VENUE PROVISION SHALL NOT RESTRICT THE ABILITY OF THE PARTIES TO CONFIRM OR ENFORCE JUDGMENTS OR AWARDS IN ANY APPROPRIATE JURISDICTION.**

d) INDIVIDUAL agrees if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to appellate, and post judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of INDIVIDUAL and shall inure to the benefit of FRANCHISEE and COMPANY and their subsidiaries, successors and assigns.



f) The failure of any Party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of the other Parties with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by INDIVIDUAL, FRANCHISEE and COMPANY.

j) The existence of any claim or cause of action INDIVIDUAL might have against FRANCHISEE or COMPANY will not constitute a defense to the enforcement by FRANCHISEE or COMPANY of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon FRANCHISEE or COMPANY pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

**INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.**

**THE PARTIES ACKNOWLEDGE THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.**

**IN WITNESS WHEREOF**, FRANCHISEE and COMPANY have hereunto caused this Agreement to be executed by its duly authorized officer, and INDIVIDUAL has executed this Agreement, all being done in triplicate originals with one (1) original being delivered to each Party.

**[SIGNATURES ON FOLLOWING PAGE]**

WITNESS:

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

WITNESS:

\_\_\_\_\_

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

INDIVIDUAL:

Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

COMPANY:

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT J**

**STATE ADDENDA TO DISCLOSURE DOCUMENT**

## **STATE OF CALIFORNIA**

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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.

THE FRANCHISOR'S WEBSITE IS [WWW.RESOURCEOPERATIONSINTERNATIONAL.COM](http://WWW.RESOURCEOPERATIONSINTERNATIONAL.COM). 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](http://WWW.DFPI.CA.GOV).

In addition to the information required by Item 3.C., neither the franchisor nor any person or franchise broker in Item 2 of the UFDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. Seq.).

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

The franchise agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

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. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

## **STATE OF ILLINOIS**

1. Illinois law governs the agreements between the parties to this franchise.
2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

3. Section 20 of the Illinois Franchise Disclosure Act provides that termination and nonrenewal of a franchise agreement is governed by Illinois law.
2. 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.

### **STATE OF MARYLAND**

1. Item 17 (f) of the Disclosure Document is amended by adding the following language:

“Termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law. (11USC Section 101 et seq)”

2. Item 17 (m) of the Disclosure Document is amended by adding the following language:

“A general release required as a condition of renewal, sale or transfer shall not apply to liability under the Maryland Franchise Registration and Disclosure Law.”

3. Item 17 (v) of the Disclosure Document is amended by adding the following language:

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

4. Item 17 (w) of the Disclosure Document is amended by adding the following language:

“A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

5. The Franchisee Ratification is amended by adding the following language:

“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. Item 5 is amended by adding the following language:

“We have posted a surety bond with Hartford Fire Insurance Company. This surety bond is on file with the Maryland Securities Division.”

### **STATE OF MINNESOTA**

1. Item 17 (f) of the Disclosure Document is amended by adding the following language:

“Minn. Stat. Sec 80C.14 Subds. 3, 4, and 5 require except in certain cases that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days for nonrenewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.”

2. Item 17 (v) of the Disclosure Document is amended in its entirety to read as follows:

“Minn. Stat. Sec 80C.21 and Minn. Rule 2860.440J prohibit us from requiring litigation to be conducted outside of Minnesota.”

3. Trademarks. The following is added at the end of Item 13:

To the extent required by the Minnesota Franchises Act, we will protect your rights to use the trademarks, service marks, trade names, logo types, or other commercial symbols related to the trademarks or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks.

4. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22.

**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 D 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 ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23<sup>RD</sup> FLOOR, NEW YORK, NEW YORK 10271. 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 to 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, violation of franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or 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 ten-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 person or entity is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under 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 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:

Except as disclosed above, neither the Franchisor nor its affiliate, its predecessors, officers, or general partner during the 10 year period immediately before the date of the offering circular: (a) filed as a debtor (or had filed against it) a petition to start an action under the United States 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 one 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 franchisees 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 nonwaiver 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 franchise 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 forgoing 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.

### **STATE OF NORTH DAKOTA**

1. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

The Commissioner has determined that franchise agreements which require the franchisee to sign a general release upon renewal of the franchise agreement are unfair, unjust, or inequitable within the intent of Section 511909 of the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of a franchise agreement are generally considered unenforceable in the State of North Dakota.

The Commissioner has determined that franchise agreements which provide that parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee’s business are unfair, unjust, or inequitable within the intent of Section 511909 of the North Dakota Franchise Investment Law.

Section 511909 of the North Dakota Franchise Investment provides that a provision in a franchise agreement that requires jurisdiction or venue shall be in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

The Commissioner has determined that franchise agreements which require a franchisee to consent to a waiver of exemplary and punitive damages are unfair, unjust, or inequitable within the intent of Section 511909 of the North Dakota Franchise Investment Law.

The Commissioner has determined that franchise agreements which require a franchisee to consent to a limitation of claims within one year are unfair, unjust, or inequitable within the intent of Section 511909 of the North Dakota Franchise Investment Law. The statute of limitations under North Dakota Law will apply.

2. Item 17(w) of the Disclosure Document entitled “CHOICE OF LAW” is amended to read as follows: “North Dakota Law”

### **STATE OF RHODE ISLAND**

“A provision in an Offering Circular restricting jurisdiction or venue to a forum outside of the State of Rhode Island, or requiring the application of the laws of another state, is void with respect to a claim otherwise enforceable under this Act.” (Section 1928.114 of the Rhode Island Franchise Investment Act.)

### **STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall 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 involving a franchise purchased in Washington, the arbitration or mediation site will either be either in the State of Washington, or in a place mutually agreed upon at the time of the 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 shall 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 49.62.62.020, 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.

**Use of Franchise Brokers.** The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

(Signatures on Following Page)

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:

RESOURCE OPERATIONS  
INTERNATIONAL, LLC d/b/a PREVEER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

FRANCHISEE:

[*individual owners:*]

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

[*entity, if applicable:*]

\_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT K**  
**STATE EFFECTIVE DATES**

## 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:

<b>State</b>	<b>Effective Date</b>
California	Separate Disclosure Document
Hawaii	Pending
Illinois	Separate Disclosure Document
Indiana	Pending
Maryland	Separate Disclosure Document
Michigan	Pending
Minnesota	Separate Disclosure Document
New York	Pending
North Dakota	Separate Disclosure Document
Rhode Island	Pending
South Dakota	Pending
Virginia	Separate Disclosure Document
Washington	Separate Disclosure Document
Wisconsin	Pending

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

**EXHIBIT L**

**DISCLOSURE DOCUMENT RECEIPT**

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Resource Operations International, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island Laws require that Resource Operations International LLC provide you with this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Oregon require that Resource Operations International LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Resource Operations International LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, or any applicable state agency (which are listed in Exhibit D).

**Franchise Seller:** Michael White, and/or the Sales Agent(s) listed below, Resource Operations International LLC d/b/a Preveer, 2121 Vista Parkway, West Palm Beach, FL 33411, (888) 816-6749.

Issuance Date: October 25, 2021

I received a Disclosure Document issued October 25, 2021 that included the following Exhibits:

- A. Franchise Agreement w/applicable Addenda
- B. Financial Statement
- C. Table of Contents for Operations Manual
- D. Agents for Service of Process/State Administrators
- E. General Release Agreement
- F. List of Current and Former Franchisees
- G. Deposit Receipt
- H. Compliance Certification
- I. Nondisclosure and Non-Competition Agreement
- J. Addenda to Disclosure Document
- K. State Effective Dates
- L. Disclosure Document Receipt

**DATE:** \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
**Print Sales Agent(s) Name(s)**

\_\_\_\_\_  
Prospective Franchisee **Signature**

\_\_\_\_\_  
Prospective Franchisee **Printed Name**

\_\_\_\_\_  
Prospective Franchisee **Signature**

\_\_\_\_\_  
Prospective Franchisee **Printed Name**

\_\_\_\_\_  
**Corporate Name: (if applicable)**

**By:** \_\_\_\_\_  
Authorized Corporate Officer **Signature**

\_\_\_\_\_  
**Printed** Corporate Officer Name / Title

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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**DATE:** \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
**Print Sales Agent(s) Name(s)**

\_\_\_\_\_  
Prospective Franchisee **Signature**

\_\_\_\_\_  
Prospective Franchisee **Printed Name**

\_\_\_\_\_  
Prospective Franchisee **Signature**

\_\_\_\_\_  
Prospective Franchisee **Printed Name**

\_\_\_\_\_  
**Corporate Name: (if applicable)**

**By:** \_\_\_\_\_  
Authorized Corporate Officer **Signature**

\_\_\_\_\_  
**Printed** Corporate Officer Name / Title