CEILING GURU®

FRANCHISE DISCLOSURE DOCUMENT

CEILING GURU FRANCHISING, LLC

Issuance Date: September 21, 2022

FRANCHISE DISCLOSURE DOCUMENT

Ceiling Guru Franchising, LLC
A Florida limited liability company
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Sunny Isles Beach, FL 33160
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Ceiling Guru Franchising, LLC offers franchisees the opportunity to operate a stretch ceiling sale, installation, and service business for residential and commercial properties under the trade name "Ceiling Guru" (each, a "Business").

The total investment necessary to begin operation of a Ceiling Guru franchise for one territory ranges from $84,990 - $179,200. This includes between $57,900 - $60,900 that must be paid to the franchisor.

The estimated total investment necessary to operate multiple territories under our form of area development agreement (ADA), depends on the number of territories we grant you the right to open, which would be at least two. By way of example, the total investment necessary to enter an agreement to operate three (3) territories ranges from $154,990 - $249,200, which includes: (i) $127,900 - $130,900 that is paid to the franchisor as a franchise fee and for opening inventory, and (ii) your total investment to begin operation of the Ceiling Guru business.

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

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact Rustam Junusov at 17100 Collins Ave., #210, Sunny Isles Beach, Florida 33160, or by phone at (855) 500-4454.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement 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 contract the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

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State Cover Sheet

How to Use This Franchise Disclosure Document

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

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

What You May 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 a franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider about *This* Franchise

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

3. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guaranty will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

4. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

5. **Short Operating History**. This Franchisor is at an early state of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

6. **Unregistered Trademark**. We do not have a federal registration for our principal marks. Therefore, such trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

7. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" pages for your state in Exhibit I.

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

To simplify the language in this Disclosure Document, the words "we," "our," "us," and "Franchisor" refer to Ceiling Guru Franchising, LLC, the franchisor. "You," "your," and "Franchisee" means the person or entity who buys a franchise, including the individual owners of an entity owned franchise. To fully understand all your and our rights and obligations to each other, you must carefully review the actual agreements that you will execute. These will control if there is any dispute between us.

Franchisor and Affiliates

We are a Florida limited liability company organized on August 25, 2022. Our principal place of business is 17100 Collins Ave., #210, Sunny Isles Beach, Florida 33160. We do business under our corporate name and under the trade name "Ceiling Guru." We do not have any predecessors. Our agent for service of process in Florida is Rustam Junusov, whose principal business address is 3725 Pembroke Rd, A4, Hollywood, FL 33021. Our agents for service of process in other states are disclosed in Exhibit B. We have not and do not conduct any other business, and we do not and have not previously sold franchises in any line of business.

Our affiliate, Ceiling Guru, LLC ("Ceiling Guru SI"), with a principal place of business at 17100 Collins Ave., #210, Sunny Isles Beach, Florida 33160, has been in business since June 2022. Ceiling Guru SI has not previously sold franchises in any line of business. The Ceiling Guru SI model will serve as the model for training and related purposes. We refer to this outlet as the "Company-Owned Outlet."

Our affiliate, Velum Design, LLC ("Velum Pro"), with a principal place of business at 17100 Collins Ave., #210, Sunny Isles Beach, Florida 33160, has been in business since July 2016. Velum Pro has not previously sold franchises in any line of business. Velum Pro will also be a designated supplier for our franchisees to purchase ceiling and installation materials.

Our affiliate, WooFo Design, LLC ("WooFo"), with a principal place of business is 17100 Collins Ave., #210, Sunny Isles Beach, Florida 33160, has been in business since August 2018. WooFo formerly sold franchises under the trade name "Velum Design" beginning in 2018 but have not sold franchises under that name since 2019. There are currently 3 Velum Design franchisees in Florida.

Other than as described above, none of our affiliates will provide products or services to franchisees. Other than as described above, none of our affiliates have done business in any other line of business.

Prior Business Experience

Our managing member, Mr. Junusov , immigrated to the United States and opened a U.S. based office for a ceiling installation business named Velum Design Europe in his native Lithuania. After successfully operating for a few years, Mr. Junusov moved all corporate and manufacturing for Velum Design Europe to the United States and began his services under the corporate name, Velum Design, LLC. Shortly after, we were formed in August 2018 and began selling franchises under the trade name "Velum Design." After 2019 we decided to create a new brand identity that serviced a broader clientele. Ceiling Guru has not previously sold franchises but will begin selling franchises as of the issuance of this Disclosure Document.

The Franchise Being Offered

We grant qualified franchisees the right to open and operate Ceiling Guru businesses which offer customers stretch ceiling sales, installation, and maintenance services ("Ceiling Services"). The franchise agreement authorizes you to use the trademarks, service marks, trade names, logos, and symbols we designate (the "Marks") to provide Ceiling Services (the "Franchised Business").

The Franchised Business will operate according to the procedures and methods we have developed and continue to develop for the Ceiling Guru brand (the "System"). The distinctive elements of the System include but are not limited to the services offered; our customer service standards; our standards and specifications for equipment, technology, supplies, and operations; our advertising and promotional programs and marketing techniques; the exterior and interior design, décor, color scheme, fixtures, and furnishings of the business premises; and the accumulated experience reflected in our training program and instructional materials. We have described our mandatory and recommended standards and procedures in an operations manual (the "Manual") and in other writings designated by us as part of the standards for the System (collectively with the Manual, "System Standards"). If you become a franchisee, we will provide you with access to the Manual. We have the right to change the Manual and the System Standards at any time.

Our franchisees operate the Franchised Business from a specific street address or site that we have approved for their business premises (the "Site"). Franchisees may have multiple adjoining, contiguous or non-contiguous territories and operate from a single Site, described in greater detail below.

Area Development Program

In addition, for qualified franchisees who desire the right to develop multiple designated territories (the "Development Area") and meet certain conditions, we also offer the opportunity to enter into an Area Development Agreement with us (the "Area Development Agreement") to develop a mutually agreed upon number of Territories (as defined below) in accordance with a development schedule specified in the Area Development Agreement (the "Development Schedule"). Our current form of Area Development Agreement is included as Exhibit F to this Disclosure Document.

As each Territory is opened, you will sign our then-current form of Franchise Agreement for each Territory, which may include terms that are materially different from the form of Franchise Agreement included as Exhibit E to this Disclosure Document. If you fail to open and continue to operate the required number of Territories in accordance with the mutually agreed upon Development Schedule, we will have the right to terminate the Area Development Agreement. If the Area Development Agreement is terminated, you will lose all of your rights to develop the Development Area and the initial fees paid for any Territories for which Franchise Agreements have not been signed. However, the Franchise Agreement for each Territory which has been opened will not be terminated solely by reason of the termination of the Area Development Agreement.

Unless you sign an Area Development Agreement, you have no obligation, nor any right, to open any additional Businesses or Territories.

The Market and Competition

The market for Ceiling Services is well established and highly competitive. The Ceiling Services business operates year-round and is not seasonal; however, activity in the ceiling services business is significantly more robust during the spring, summer, and autumn than during the winter, when you are likely to experience reduced production. The primary market for Ceiling Services consists of residences and commercial buildings. Your competitors will be local and national Ceiling Service companies.

Applicable Regulations

You must comply with all local, state, and federal laws and regulations that apply to the operation of a Ceiling Services business, including health, safety, insurance, discrimination, employment, and sexual harassment laws. Health regulations, as well as other state and local specific safety and workplace regulations may impact the types of training, devices, and equipment you must make available to or be required to offer to your employees. The health and safety requirements can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local authorities. Your Franchised Business will also be subject to various federal, state and local laws, and regulations affecting the business, including, among others, federal, state and local laws, rules and regulations governing franchising, licensing, permits, zoning, the EPA, and other federal and state environmental protection statutes, OSHA, and other federal, state and local laws regarding hazardous substances and waste, land use, construction regulations and various health, sanitation, safety and fire standards. You are also subject to employment laws such as the EEOC, Fair Labor Standards Act, Americans with Disabilities Act and various state laws governing such matters as minimum wages, overtime and working conditions. Your advertising of the Franchise is regulated by the Federal Trade Commission. There may be federal, state, and local laws which affect your franchise in addition to those listed here.

The EPA's Lead Renovation, Repair, and Painting Rule affects this business. This RRP details both information that must be given to certain homeowners, as well as processes and procedures that must be followed in homes and other structures built before 1978. See http://www.epa.gov/opptintr/lead/index.html. Many states and municipalities also have laws regulating the handling and disposal of hazardous materials, including paint and solvents, as well as laws and regulations pertaining to worker safety and health in the workplace. There are also many state and local laws, codes, or ordinances regarding contractor licensing and/or registration requirements.

There are federal, state, and possibly local laws covering how to classify workers, for example, whether as independent contractors or employees, or as exempt or non-exempt, for different purposes, such as tax, wage and hour laws, unemployment compensation and workers' compensation. These laws and regulations can vary from state to state, city to city, and at the federal level, and could affect, in some instances materially, the operation of your Business.

In many states you will be required to carry a contractor's license to install and construct the ceilings and lighting installations. A list of state contractor licensing or registration laws is attached as Exhibit J and a list of state laws regarding independent contractors is attached as Exhibit K.

You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business. We strongly recommend that before signing the Franchise Agreement, you engage a franchise attorney and other professional advisors to advise you in determining the laws, ordinances and regulations affecting your establishment or operation of a franchise, to assist you in evaluating the financial ramifications of this business decision, and the risks of this business investment.

ITEM 2.
BUSINESS EXPERIENCE

Rustam Junusov – Managing Member

Mr. Junusov has served as our Managing Member since our formation in August 2022. Mr. Junusov is the Managing Member of our Company-Owned Outlet, Ceiling Guru SI, since its inception in June 2022. Mr. Junusov also serves as the Managing Member for Velum Design, LLC since its inception in July 2016 in Hollywood, FL, and of our affiliate, WooFo Design, LLC since August 2018. Mr. Junusov serves in all his roles from our headquarters in Sunny Isles Beach, Florida.

Oleg Ivanov – Stretch Ceiling Instructor

Mr. Ivanov serves as the Stretch Ceiling Instructor since our formation in August 2022. Mr. Ivanov also serves as the Instructor for new employees for our affiliates Velum Pro and WooFo Design, LLC. Prior to his current roles, Mr. Ivanov served as a Stretch Ceiling Instructor for Velum Design Europe in Lithuania from 2014 to 2021. Mr. Ivanov serves in his current roles from our headquarters in Sunny Isles Beach, Florida.

Lazaro Mayor – Sales Manager

Mr. Mayor will serve as an instructor for our franchisees on sales. Mr. Mayor serves as our Velum Pro's Sales Manager since taking the role in 2019. From 2016 to 2018 Mr. Mayor worked as a Rental Agent for Sixt Rent a Car. From 2018 to 2019 Mr. Mayor worked as a Rental Agent for EZ/Advantage Rent a Car.

ITEM 3.
LITIGATION

No litigation exists or 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

Franchise Fee

We require a non-refundable initial franchise fee (the "Franchise Fee") of $54,900 for the operation of a Ceiling Guru business in a single territory package (a "Territory") consisting of an area with around 200,000 – 250,000 individuals that your Franchised Business may provide services to. We may permit you to purchase additional territory in contiguous areas at a rate of twenty cents ($.20) per individual.

Area Development Program

If we determine that you are financially and operationally qualified to develop multiple Territories, we may offer you the opportunity to enter into an Area Development Agreement, in which you will commit to develop a certain number of Territories that you and we determine to be appropriate but will be at least two. If you enter into an Area Development Agreement, the Franchise Fee will vary based on the number of Territories that you commit to develop. If you enter into an Area Development Agreement, you must pay us a development fee equal to the sum of the Franchise Fees due for each Territory that you agree to develop (the "Development Fee"). The Development Fee will be credited towards the initial Franchise Fee for each Territory developed under the Area Development Agreement. You will be required to sign our then current franchise agreement when you begin operating in each Territory in your Development Schedule. The table below details the additional territory packages of around 200,000 – 250,000 each through our Area Development Agreement offering, up to 5 total Territories (1,050,000 individuals):

Territory Package	Total Individuals In Territory Package	Cumulative Franchise Fee
1	200,000 – 250,000	$54,900
2	400,000 – 500,000	$99,900
3	600,000 – 750,000	$124,900
5	1,000,000 – 1,050,000	$174,900

Each Territory is separate and individual, even where contiguous, and Franchisor reserves the rights and remedies to each. While we generally attempt to establish Territories that consist of a population ranging from 200,000 – 250,000 individuals, several factors may alter the size of the Territory you receive. The final and specific bounds of the Territory will be set forth in the Franchise Agreement. The number of individuals in your territory is generally determined from estimates prepared by the U.S. Census Bureau and other reporting agencies. We may use a substitute or successor source of population information and the source and date of the information we use is determined solely by us. The initial Franchise Fee must be paid to us upon signing the Franchise Agreement and the Area Development Agreement. Additional territory purchases will be evaluated on a case-by-case basis. See Item 12 for additional information regarding your territory.

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

To the extent required by state franchise administrators, it may be required that we defer the Initial Franchise Fee until our initial obligations are met. See the State Specific Addenda attached as Exhibit I to this Disclosure Document. We currently defer the Initial Franchise Fee until our initial obligations are met and the franchisee is open for business in California, Illinois, Maryland, North Dakota, and South Dakota. In instances where we have signed an area development agreement, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Opening Inventory

You will be required to purchase opening inventory from us or our affiliate. The required opening inventory purchase includes packages of our ceiling tracks/railings and other installation materials. The total initial investment is $3,000 to $6,000. The opening inventory package is non-refundable.

ITEM 6.
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Sales[2] beginning in your 7th month of operations	Monthly, on the 5th day of the following month	Gross Sales is defined in the Franchise Agreement and in Note 2 below. Franchisor may require reconciliation within its reasonable discretion.
Brand Fund Contribution	Up to 3% of Gross Sales; currently, 1% of Gross Sales	Same as Royalty	The purpose of the Brand Fund is to support general development and recognition of the Ceiling Guru brand. We may specify a different Brand Fund Contribution, not to exceed 3% of Gross Sales, upon notice to you.
Brand Fun Materials	Our costs	As invoiced	Payable only if we reproduce or customize Brand Fund materials for you.
Local Marketing Expenditure[3]	You must spend a minimum of 5% of Gross Sales	Monthly, as incurred	Generally, you will pay vendors, media outlets, etc. directly for local advertising. However, we may require you to pay the funds to us.
Cooperative Advertising	Currently there are no advertising co-ops. If we establish an advertising co-op, you may be required to contribute as approved	As established by co-op vote	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op

Type of Fee[1]	Amount	Due Date	Remarks
	by a majority vote of the members of the co-op.		will be credited against the required local advertising expenditure.
National and Regional Account Fees	Varies between 1% to 10% of Gross Sales for the account	As invoiced	When we handle billing or invoicing on national account clients, we charge this fee to cover our costs for administering the work and billing and invoicing the client. We determine the fee for each job based on the size of the load and our arrangement with the national account.
Training Fees: Additional, Replacement, Remedial, and Optional Sessions	Currently $500 per person per day plus your expenses	Before training session begins and as incurred	We will charge a training fee: (i) if you request more than 2 individuals to attend initial training; (ii) if we require remedial training because of your failure to comply with our brand standards; (iii) for persons repeating a training program, or their substitutes; and (iv) for training programs that we make optional for franchisees. If we conduct on-site training, you must also pay the travel, meals, and lodging expenses for our trainers.
Technology Fee	Currently $250, but amount and frequency subject to change on 30 days' notice to you	Same as Royalty	The Technology Fee currently includes costs related to your access to and usage of our system, our intranet, any mobile applications we develop and the System Website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. There is no cap on the amount the Technology Fee may be increased.
Annual Convention	$500 per person	As invoiced	Payable for you and your employees who attend the annual convention that we host. You are responsible for travel related expenses. If you do not attend mandatory seminars or conventions, you must pay us the applicable registration fee, regardless of the cause for non-

Type of Fee[1]	Amount	Due Date	Remarks
			attendance, unless you receive our advance written approval for such absence.
Regional Meeting	$150 per franchise plus your travel, lodging, and meals expenses	As incurred	You will be obligated to send one person to an annual regional meeting.
Non-Compliance Fee	$500 per instance, plus $100 per follow-up inspection, plus our travel and lodging expenses	On demand	We may charge you a Non-Compliance Fee due to your non-compliance with the Franchise Agreement or the brand standards. We can charge an inspection fee if we require follow-up inspections.
Inspection Fee	$500 plus expenses	On demand	Payable to us if we require an inspection of your Franchised Business for any reason. You are responsible for covering the expenses if we require third-party inspectors.
Reimbursement	Amounts we expend on your behalf to cover payments due from you to third parties, plus an administrative charge of 10% of such amounts	On demand	You are obligated to reimburse us for any amounts that you owe to third parties, including to resolve consumer complaints, and which we pay on your behalf plus an administrative charge of 10% of such amounts payable to us.
Late Fee	$100 plus Interest (as defined in this table) on the unpaid amount	On demand	We may charge a Late Fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us and submit required reports to us.
Interest[4]	18% per annum or the maximum rate permitted by applicable law, whichever is greater	Continues to accrue until paid	Applies only if you do not pay us on time. We calculate interest from the date the payment was due until paid in full.
On-Site Support Fee	$500 per day, plus our expenses	On demand	At your request, we may provide on-site support to your Franchised Business.
Management Fee	5% of Gross Sales while we manage your business	As invoiced	Payable only if: (i) all qualified managers (see Item 15) die or are incapacitated, and we elect to manage the Franchised Business pending qualification of a new manager or transfer of the franchise; or (ii) all qualified managers are arrested for, or formally charged with, a

Type of Fee[1]	Amount	Due Date	Remarks
			serious criminal offense, and we take over operation of the Franchised Business pending final disposition of the charges.
Procurement of Insurance[5]	Actual cost of premiums, plus our costs and expenses	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Renewal Fee	$5,000	Payable on execution of new Franchise Agreement or notice of renewal, no later than 30 days before expiration of initial term	When the initial term of your agreement ends, you will have the option to continue the franchise relationship with us, subject to certain conditions.
Transfer Fee	$10,000	On demand, prior to, and as a condition of, our consent to any proposed transfer	Payable to us as a condition of approval for transfer. No fee for transfer to corporation or entity that you own or control other than our costs to evaluate the proposed transfer.
Audit Costs	All amounts shown to be due, plus the cost of the audit, plus interest and late fees	On demand	Payable only if: (i) you did not submit Gross Sales statements; (ii) you did not keep full books and records; or (iii) the total Gross Sales you reported for any three consecutive months is more than 2% below the audited Gross Sales.
Indemnification[6]	Amount of claims and expenses	As incurred	You must reimburse us if we incur any damages, losses, or expenses, including reasonable attorneys' fees and other costs, related to claims arising from the operation of your Franchised Business.
Attorneys' Fees[7]	Our costs and expenses	As incurred	You must pay our costs and expenses if we are involved in litigation by or against you.
Encroachment fee	20% of all revenue generated from any client in any territory outside of your Territory, payable to us or the franchisee whose territory was encroached.	As outlined in the Manuals. Currently, they are due 10 days after notice from us	Imposition of such fees are based upon the facts leading up to the alleged encroachment and the determination of whether to charge such fees will be at our sole discretion

Type of Fee[1]	Amount	Due Date	Remarks
Liquidated Damages	An amount equal to Royalty Fees plus Brand Fund contributions for the lesser of: (i) 104 weeks or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your Franchise Agreement because of your default, or if you terminate the Franchise Agreement without the right to do so.

Notes to Item 6:

1. Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees receiving this offering. For all amounts payable to us and our affiliates, you must use the payment method(s) that we designate from time to time. As of the date of this Disclosure Document, we require payment by Automated Clearing House (ACH), or electronic funds transfer and you must designate an account at a commercial bank of your choice and furnish the bank with authorizations when you sign the franchise agreement to permit us to make withdrawals from that account.

2. "Gross Sales" means the total dollar amount of all sales generated through your Franchised Business, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales do not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding sales and revenue recognition, reporting, and the inclusion or exclusion of certain sales from Gross Sales as circumstances, business practices, and technologies change.

3. The Local Advertising Expenditure requirement is a minimum of 5% of Gross Sales per month. We may elect to directly manage local advertising on your behalf. If we do so, you will pay this amount to us each month and we will be entitled to a reasonable fee for our services.

4. Interest begins from the due date.

5. You must maintain insurance of the types and amounts we specify in your franchise agreement, the Manual, or in supplementary notices. You may obtain additional insurance as you desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us and must list us as additional named insured. You must provide certificates of insurance evidencing coverage on an ongoing basis.

6. You must indemnify us and our respective owners, employees, and officers for any claims relating to the operation of your Franchised Business, and for all costs incurred relating to any default by you under the Franchise Agreement.

7. If litigation occurs in which we are adverse to you, regardless of how the litigation arises or resolves, you must pay our costs of litigation, including reasonable attorneys' fees and any cost of enforcing this obligation.

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ITEM 7.
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT – ONE PROTECTED TERRITORY

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
Initial Franchise Fee[1]	$54,900	Collected funds – lump sum	Upon execution of Franchise Agreement	Franchisor
Travel Expense for Initial Training[2]	$750 - $5,000	As arranged	As incurred	Transportation, hotels, restaurants
Grand Opening Expenditures[3]	$10,000 - $20,000	As arranged	Prior to opening your business	Various suppliers
Rent (3 months, plus security deposit), Utilities, and Leasehold Improvements[4]	$0 - $11,500	As arranged	Prior to opening your business	Lessor
Vehicle[5]	$1,500 - $35,000	As arranged	Prior to opening your business	Suppliers
Signage and Graphics[6]	$2,500 - $5,000	As arranged	As incurred	Suppliers
Tools and Equipment[7]	$1,000 - $5,000	As arranged	As incurred	Suppliers
Office Furniture, Fixtures, and Supplies[8]	$2,000 - $5,000	As arranged	Prior to opening your business	Suppliers
Computer and Technology Systems[9]	$750 - $4,000	Lump sum	Prior to opening your business	Suppliers
Subscriptions[10]	$90 - $800	As arranged	Prior to opening your business	Suppliers
Opening Inventory[11]	$3,000 - $6,000	As arranged	Prior to opening your business	Franchisor
Insurance[12]	$800 - $5,000	As arranged	Prior to opening your business	Insurance company
Professional fees[13]	$2,500 - $4,000	As arranged	As incurred	Professional Advisors
Permits and Licenses[14]	$200 - $3,000	As required by federal, state, and local governments	As required by federal, state, and local governments	Federal, state, and local government agencies
Additional Funds (3 months)[15]	$5,000 - $15,000	As arranged	Weekly payroll, other expenses, and purchases	Approved suppliers, employees, etc.
TOTAL[16]	**$84,990 - $179,200**			

*Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees.

Notes to Table 7(A) above:

1. *Initial Franchise Fee*. Calculation of the Franchise Fee is discussed in detail in Item 5. The Franchise Fee shown is for a 200,000 250,000 individual Territory.

2. *Travel Expenses to Training*. There is no tuition or fee for initial training for up to two (2) of your representatives. You are, however, responsible for making arrangements and paying the expenses for any persons attending the training program including, without limitation, transportation, lodging, meals, and

wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates costs associated with the training of two (2) people for our training program in Sunny Isles Beach, Florida.

3. *Grand Opening Advertising Expenses.* You must create a grand opening advertising program, which we will advise you on. We will require you to spend at least $10,000 for the Grand Opening Advertising in the period covering two weeks before and 4 weeks after your Business opens.

4. *Rent, Utilities, and Leasehold Improvements (if applicable)*. In our sole discretion, we may not require you to operate from a fixed location dedicated solely to your Franchised Business. You must, however, have access to facilities necessary to store the equipment used in the Business. The low end of the estimate contemplates we grant you the right to operate your Franchised Business from your home and you have adequate space and storage for the required vehicle and equipment. The high end of the estimate contemplates three month's rent plus a lease security deposit of an equal amount, a utilities deposit, and the costs of leasehold improvements. Our estimate is based on our knowledge of rent expenses in Sunny Isles Beach, Florida. Rent expense for a facility from which to operate your Franchised Business will vary, based on location, square footage, age and condition of the structure, lease arrangements, and other such factors.

5. *Vehicle.* You must lease or purchase a compact cargo van that meets our specifications. The low end of the estimate contemplates the first three months' payments if you are able to lease the vehicle with no down payment. The high end contemplates you purchase a new vehicle in full. You may lease or purchase a used vehicle, but it must meet our then current specifications, may be no more than 3 years old and must be in good working condition. The price for the van may vary based on demand, season, and global supply chain issues. You will be required to have your vehicle wrapped with our approved graphics. The cost for the vehicle wrap is contemplated in Signage.

6. *Signage and Graphics.* If you lease office space from which to operate your Franchised Business, you are expected to acquire and install signs selected from our pre-approved branding materials or approved in our sole discretion on the exterior of the leased space, or on the side of appropriate exterior windows. We estimate this cost based on our experience. Costs may vary depending on the style and medium of signage chosen. Your vehicle must be wrapped with our approved graphics. The estimate above includes our estimate for the cost of the vehicle wrapping at a national graphics supplier.

7. *Tools and Equipment.* If you do not own tools, you will need to purchase tools to perform Ceiling Services. Generally, the tools included are a laser measure, cordless self-leveling beam laser, forced air propane heater, heat gun, wet/dry vac, cordless drill, various saw types, angle grinder, and other standard tools like ladders, scaffoldings, and propane tanks. Our full tools and equipment list will be provided in the Manuals.

8. *Office Furniture, Fixtures, and Supplies.* This is our estimated cost of purchasing office furniture and fixtures, such as storage racks, for a typical office space based on our previous experience. Costs vary depending on the size of the office and the style and quantity of furniture selected.

9. *Computer and Technology Systems, and Technology Fee*. This estimate includes the cost of purchasing our chosen hardware, operating software, and financial software. The estimate also includes three months of the Technology Fee you will pay to us for access to our intranet and our administration of the website and other technology we may develop. See Item 8 for information regarding required computer equipment and software. We initially require you to have at least one dedicated telephone line, internet access, and a computer capable of running required software. We do not currently specify the kinds of mobile devices, tablets, hardware, or internet supplier you use but we may do so in the future. You must have Microsoft Word, an approved email and text messaging function, and our chosen accounting and invoicing program. Your devices must be in good repair, with sufficient memory to carry out ordinary business functions, as provided in the Manual.

10. Subscriptions. You must subscribe to software programs provided by third-party suppliers as we require. Currently we require you to use Jobber for scheduling and pricing with clients.

11. *Inventory.* You will purchase your initial inventory from us. We will provide you with an opening inventory package consisting of ceiling tracks/railings and other installation materials. This estimates the cost of the package required to begin operating your office and perform Ceiling Services. We require you to purchase supplies and equipment from the designated supplier (see Item 8). In the future we may require you to use other suppliers of our choosing for other purchases or use different suppliers for your supplies.

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

13. *Professional Fees.* This estimates the costs of professional advisors (like an attorney and an accountant) for the initial review and advice consistent with the start-up of a franchised business.

14. *Business Licenses*. This estimates the costs of business licenses for you to begin operations of the Franchised Business. This estimate is based on our experiences with business licenses in Sunny Isles Beach, Florida, and may vary depending on your state and local requirements. Depending on your location you may be required to obtain a contractor's license. See Exhibits J and K for more information regarding state contractor laws.

15. *Additional Funds (3 months)*. This category estimates your pre-operational expenses that are not listed in other categories, as well as additional funds necessary for the first three (3) months of your operations including expenses for this such as employee salaries and wages, utilities, payroll taxes (including payroll to cover the grand opening promotional period and the pre-opening training period for your staff), Royalty Fees, Local Marketing Fees, legal and accounting fees, additional advertising, health and workers' compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on factors such as: adherence to our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our concept; the prevailing wage rate; competition; and the sales level reached during this initial period.

16. *Total*. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchised Business. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stages of your Franchised Business, the actual duration of which will vary materially from franchisee to franchisee and cannot be predicted by us for your Franchised Business (and which may extend for longer than the three month "initial phase" described in Note 15). You must have additional sums available or other assets you may liquidate or against which you may borrow to cover other expenses and operating losses you may sustain during your start-up, development stage, and beyond. The amount of reserves necessary will vary greatly from franchisee to franchisee and will depend on many factors. Because the actual amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your Franchised Business.

The ranges and categories listed in the table above are based on our owner's operating experience developing a business similar to the Franchised Business in the Sunny Isles, Florida area. Your expenses may be significantly different depending on the suppliers you use and local costs. See Item 8 for additional information concerning your purchases from third-party suppliers.

You will incur labor costs in employing your employees, but those costs are dependent on numerous factors that we cannot predict or estimate, such as the labor rates, labor tax rates, and workers' compensation rates within your Territory, as well as the availability of workers, number of employees you decide to use per crew, number of crews you run, skill and experience levels of your employees, number of hours worked per employee, volume of business, etc. You should investigate the costs of labor in your Territory before making any decision to operate a Franchised Business, as this will be a significant portion of your ongoing expenses.

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

B. ESTIMATED INITIAL INVESTMENT – MULTIPLE TERRITORIES[1]

Type of Expenditure	Estimated Amount for 3 Territories	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[2]	$124,900	Lump Sum	Upon signing ADA	Franchisor
Initial Investment to Open in Single Territory [3]	$30,090 - $124,300	See Table 7(A) above in this Item		
TOTAL[4]	**$154,990 - $249,200**			

Notes to Table 7(B) above:

1. *Generally*. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. As an example, this table details the estimated initial investment associated with executing a Franchise Agreement for the right to own and operate three (3) Territories, as well as the initial investment to open your one (1) Territory Franchised Business. The table does NOT include estimates for the purchase of additional equipment for more Territories other than a single territory for a Franchised Business.

2. *Development Fee.* The Franchise Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and the Development Fee provided as an example in this Table 7(B) is for the right to operate your Franchised Business in three (3) Territories (provided you comply with your obligations under the Franchise Agreement). Although this table shows a three (3) Territory business model, the minimum required to be purchased under an ADA is two (2) Territories.

3. *Estimated Initial Investment to Open One (1) Franchised Business.* This figure represents the total estimated initial investment required to open a single territory Franchised Business. The range includes all the items outlined in Table 7(A) of this Item, except for the single territory Franchise Fee (because you are not required to pay a single territory Franchise Fee if you are granted the right to operate in multiple territories).

4. *Total*. This is the Development Fee plus the estimated initial investment to open and commence operating single territory Franchised Business. This range does not include any of the costs you will incur in operating in an increased territory area.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to require that all equipment, technology, inventory, supplies, vehicles, signs, furnishings, fixtures, décor items, retail merchandise, payment systems, and other products and services that you purchase for use or resale in the Franchised Business: (a) meet our specifications; or (b) be purchased from vendors that we have expressly approved; or (c) be purchased only from a single source (which may include us or our affiliates) at the then-current price. To the extent that we establish specifications, require approval of vendors, or designate specific vendors for an item, we will notify franchisees via the Manual or otherwise.

We may negotiate contracts with providers of goods and services to obtain favorable pricing for our franchisees and Company-Owned Outlets. The terms of purchase agreements may vary based on any number of factors and prices may change over time.

Other than as noted in this Item, we do not currently negotiate purchasing arrangements with vendors on behalf of our franchisees, but we reserve the right to do so, including pricing terms. Our ability to negotiate and maintain arrangements with vendors may depend on the participation of as many franchisees as possible. Accordingly, if we name a specific vendor for a product or service, you must obtain the product or service from that designated vendor. You must comply with the terms and conditions included in the contract with a specific vendor.

We and our affiliates may earn a profit on products and services we sell to you directly, and we and our affiliates may receive rebates, administrative fees, commissions, licensing fees, or other benefits from unaffiliated vendors and distributors from their sales of products or services to franchisees, whether the product or service is presently mentioned in this Item or not. Except as limited by applicable law, we and our affiliates have the right to retain any payments received from vendors. As of the date of this Disclosure Document, none of our officers owns an interest in any unaffiliated vendors that sell products or services to our franchisees.

We or our affiliates may negotiate purchasing arrangements under which vendors agree to make goods or services available to Franchised Businesses on specific terms. You agree to participate in and abide by the terms of any vendor purchasing program we establish.

If we require you to use an approved vendor for a particular item, but you wish to purchase the item from a source that we have not approved, you may submit a written request for approval of the vendor, unless it is an item for which we have designated a specific vendor. To obtain approval, proposed vendors must demonstrate the ability to meet our standards and must possess adequate quality controls and capacity to supply your needs promptly and reliably. We will provide the relevant standards and specifications to vendors that wish to become approved vendors, provided that the proposed vendor signs a confidentiality agreement; however, we may refuse to disclose product formulations or specifications that we deem to be extremely sensitive. At our request, you must submit samples and other information we require to examine, test, and determine whether the proposed vendor meets our specifications and quality standards. We may also require that the proposed vendor allow our representatives to inspect its facilities. We may charge vendors a license fee to use our trademarks or other proprietary property. We may also charge vendors a rebate or other fee for participation in our purchasing program.

If we do not require you to use a designated source or approved vendor for a particular item, you may purchase the item from any source you choose provided your purchases conform to the brand standards.

We have no obligation to approve any specific vendor or any minimum number of vendors for any item, and any proposed vendor relationship must not jeopardize the availability of any special pricing or other benefits offered by existing vendors based on system-wide purchases. We may require you to pay a fee to cover our costs of reviewing a proposed vendor. We generally will give you written notice of approval or disapproval of the proposed vendor within thirty (30) days after receiving your request. You may not sell or offer for sale any products or services from the proposed vendor until you receive our written approval.

We have the right to revoke a vendor's approved status for any reason in our sole and absolute discretion. On receipt of written notice of revocation, you must stop buying from the disapproved vendor. If we revoke our approval of the products because they fail to meet our standards, you may be prohibited from using your remaining inventory of those products.

We estimate that the proportion of your required purchases and leases from approved suppliers to all purchases and leases in establishing the Franchised Business is 70% to 80%. We estimate that the proportion of your required purchases and leases from approved suppliers to all purchases and leases in operating the Franchised Business is 65% to 80%. These amounts are subject to change.

The following specific restrictions on your purchasing are in effect as of the issuance date of this Disclosure Document, but we can impose other restrictions at any time:

Items You Must Purchase from Us or Affiliates

Inventory, Supplies, and Materials. You must purchase your inventory for your Franchised Business from us or our affiliate. We are your only approved suppliers for the inventory and materials needed to operate your Franchised Business and offer for sale to customers. Us or our affiliate will earn revenue from the sales of the inventory supplies to franchisees.

Items You Must Purchase from Designated or Approved Third Parties

Software. You must purchase the approved software from our designated supplier. Currently, we only designate you to use QuickBooks to operate your Franchised Business. We anticipate the cost to be between $100 and $150 per month for a subscription. Currently, we require you to use Jobber, a service scheduling system, which we estimate to cost between $30 and $200 per month.

Items That Must Meet Our Specifications

For some products and services, we have not designated a specific source or vendor that you must use, but you must follow our specifications and/or obtain our approval of the vendor. As of the date of this Disclosure Document, they include:

Installation Materials, Tools, and Supplies. We require you to purchase small installation materials, tools, and supplies to complete installations. These include fasteners, brackets, angles, PVC or wooden trims. Our required tools list includes a laser measure, cordless self-leveling beam laser, forced air propane heater, heat gun, wet/dry vac, cordless drill, various saw types, angle grinder, and other standard tools like ladders, scaffoldings, and propane tanks. Our full tools and equipment list will be provided in the Manuals.

Computer and Hardware. You must purchase the computer and hardware systems as specified in the Manuals. Currently, you must purchase a laptop, a tablet, which should have access to the internet and are capable of running the designated software. We also require you to use a cell phone, which can be the one you already own, and a printer.

Software. We do not require, but we recommend that you subscribe to or purchase a program that allows you to photoshop or create renderings. We also recommend purchasing a program that can utilize AutoCAD renderings if a client sends files in that type.

Vehicle. You must lease or purchase a compact cargo van that is wrapped with the approved graphics. We will allow you to purchase a used vehicle as long as it meets the specifications we designate in our Manuals. Currently, the vehicle must be no more than 3 years old, be in good working condition and free from scratches, dents, or other damage.

Insurance. You must maintain the types and minimum amounts of insurance coverage and bonds we specify for the Franchised Business. The table below sets out our required and recommended insurance coverage as of the date of this Disclosure Document:

Type	Minimum Coverage
Comprehensive General Liability	$1,000,000 per incident / $2,000,000 aggregate
Product Liability	$1,000,000 policy limit
Commercial Umbrella Policy	$1,000,000 excess over all underlying liability coverages per occurrence and $1,000,000 in the aggregate
Business Automobile Liability	At least $1 million
Workers' Compensation	As required by law in your area

Your insurance policies must be written by a carrier with an industry rating acceptable to us, must name us, Ceiling Guru Franchising, LLC, and our parents, subsidiaries, and affiliates, and their respective officers, directors, members, shareholders, and employees as additional insureds, and must not have deductibles, exclusions or co-insurance that are unacceptable to us. All public liability and property damage policies must be primary and non-contributory and must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors, and assigns.

Prior to opening your Franchised Business, you must provide us with certificates of insurance demonstrating that you have met the requirements. At least thirty (30) days before expiration of a policy, you must furnish evidence of renewal or replacement insurance. If you do not obtain the required coverage, we have the right (but not obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services. We can increase the coverage requirements or require different or additional kinds of insurance.

Cooperatives

There are no purchasing cooperatives or distribution cooperatives in our franchise system as of the date of this Disclosure Document. We do not provide material benefits to franchisees based on their purchase of products or services or use of particular vendors.

Revenue from Franchisee Purchases

Neither we nor our affiliates had revenues from franchisee purchases in the most recent fiscal year.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section (§) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA §4.1 and 4.3; DA §4	Item 11
b. Pre-opening purchases/leases	FA §6.5	Item 8
c. Site development and other pre-opening requirements	FA Article 4 ; DA §4	Items 6, 7, and 11
d. Initial and ongoing training	FA Article 5, §7.4, Article 12	Items 6 and 11
e. Opening	FA Article 4 and §5.2; DA §3.1 and §4	Item 11
f. Fees	FA Article 3; DA §2	Items 5 and 6
g. Compliance with standards and policies/ Manual	FA §3.7 and §6.10	Items 8 and 11
h. Trademarks and proprietary information	FA §9; DA §8	Items 13 and 14
i. Restrictions on products/ services offered	FA §7.6	Items 8 and 16
j. Warranty and customer service requirements	FA Article 4 and Article 14	Item 11
k. Territorial development and sales quotas	FA Article 4; DA §3, §4	Item 12
l. Ongoing product/service purchases	FA §6.5	Item 8
m. Maintenance, appearance, and remodeling requirements	FA §6.8	Item 11
n. Insurance	FA §6.12	Items 6 and 8
o. Advertising	FA Article 7	Items 6, 8, and 11
p. Indemnification	FA Article 11; DA §8	Item 6
q. Owner's participation/ management/staffing	§6.2	Items 11 and 15
r. Records/reports	FA Article 8	Item 16
s. Inspections/audits	FA Article 8	Items 6 and 11

Obligation	Section (§) in Agreement	Disclosure Document Item
t. Transfer	FA §12.2 and Article 13; DA §7	Item 17
u. Renewal	FA §15.6	Item 17
v. Post-termination obligations	FA §9.6; DA §8	Item 17
w. Non-competition covenants	FA §15.11; DA §8	Item 17
x. Dispute resolution	FA §11.1 and Article 16; DA §8	Item 17
y. Other: Guaranty of franchisee obligations	FA §1.5; DA Appendix B	Item 15

ITEM 10.
FINANCING

We do not offer direct or indirect financing to you. We do not guarantee any note, lease, or obligation of yours. We have no past practice or future intent of selling, assigning or discounting franchisees' financing arrangements to a third party. We do not receive any direct or indirect payments or other consideration from any person for the placement of financing with the lender. If you are a corporation, limited liability company or limited partnership, we will require your shareholders, members, and limited partners to give a personal guaranty of all your obligations to us.

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

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

Pre-Opening Obligations. We have the following obligations to you before you open your Franchised Business:

- We will conduct an initial training program as described below. (Franchise Agreement - §5.1)

- We will loan to you one copy of the Manual to use during the term of the franchise agreement. You may not reproduce the Manual without our prior express written consent. The Manual contains our standard operating procedures, policies, rules, and regulations with which you must comply, as well as specifications for equipment, signage, inventory, and supplies for your Franchised Business. The Manual's contents must be kept confidential. (Franchise Agreement - §6.1).

- We will provide you with any specifications that we develop for fixtures, furnishings, equipment, graphics, and signage, which may include the names of approved suppliers. However, we do not supply these items directly, nor do we assist with delivery or installation. (Franchise Agreement - §4.4).

- We will work with you on creating a pre-opening grand opening marketing and promotion plan for the Franchised Business. (Franchise Agreement - §5.2).

- We will provide opening support and assistance as we deem appropriate, at the time(s) and in the manner we determine. If you request opening support beyond what we customarily furnish to a Franchised Business, and if we agree to furnish the additional support, then we will have the right to impose a fee, plus expenses, for providing the agreed additional support. (Franchise Agreement - §4.4 and §5.2).

- Before entering into any lease or purchase agreement for a site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site, including your home or another site you own, that we or you identify and determine whether to accept it using our criteria. We may refuse to accept a proposed site for any reason. We will approve or deny a site within 30 days or your submission. If you and we cannot agree on a site, we may terminate the franchise agreement. (Franchise Agreement - §4.1 and §14.1).

Time to Open. We estimate the typical franchisee will be ready to open their business thirty (30) to sixty (60) days after executing a franchise agreement. Factors that could affect when a franchisee can begin operation include site selection and set-up, financing, completing initial training, and local labor conditions including your ability to obtain necessary licenses and hire employees.

Continuing Obligations. We have the following obligations to you during the operation of your business:

- We will develop and maintain the brand standards. (Franchise Agreement - §6.1).

- We will manage the operation of the Website, which will include your Franchised Business information and telephone number. (Franchise Agreement - §7.6).

- We will manage the Brand Fund, as described below in this Item, and make available to you any creative materials financed by the Brand Fund. You agree to pay or to reimburse us for any costs to reproduce the materials and/or to customize the materials for your use. (Franchise Agreement - §7.2).

- We may provide you with recommended or mandatory minimum or maximum prices for products and services. Otherwise, you are solely responsible for determining the prices that you will charge your customers. You must provide us with your current price list upon our request. (Franchise Agreement - §6.4).

- Under an Area Development Agreement, you must select a site, and obtain our acceptance of such site, as described above in this Item and Item 12 below, at which point we will designate a Territory for the Business. We will use our then-current standards for accepting sites and designating Territories. (Area Development Agreement - §4).

In addition to the support described in this Item 11, we may choose to offer additional assistance in the form of additional training and in-person or remote consultation services as we deem appropriate in our sole and absolute discretion.

Advertising Assistance

Brand Fund

Franchisor has established and administers a brand awareness fund (the "Brand Fund") to promote and enhance the image, identity, and patronage of the System. The Brand Fund is operated under the parameters described in this section. Currently, we require you to contribute 1% of your Gross Sales to the Brand Fund in addition to the amounts required for local/co-op advertising noted above. All franchisees will generally be required to contribute to the Brand Fund at the same rate, and Company-Owned Outlets are not required to contribute to the Brand Fund. The sums you and other franchisees contribute to the Brand Fund are deposited in our general operating account and segregated administratively on our books, but the funds are commingled with our general operating revenues. If we spend less than the total of all contributions to the Brand Fund during any fiscal year, we may accumulate such sums for use in later years.

We intend to spend an amount equal to the Brand Fund revenue received or allocated by us for national, regional, or local advertising, public relations, and promotional campaigns, typically in media such as direct mail advertising, newspapers, radio, and cable and local television. A reasonable portion of this sum may also be spent for other items including conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our advertising program. We determine, in our discretion, all matters relating to such advertising, public relations and promotional campaigns, and we are not required to allocate or expend brand fund contributions for the benefit of any particular franchisee or group of franchisees on a pro-rata or proportional basis. We are not required to spend any amounts on advertising in your Territory. In our most recent fiscal year, no Brand Fund money was disbursed. No Brand Fund contributions are used solely for advertising to solicit new franchisees, however, the Ceiling Guru website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities.

In no event will we be deemed a fiduciary with respect to any contributions to the Brand Fund we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited report certified by one of our officers showing the Brand Fund balance at the beginning of the year, the total amount contributed by franchisees and allocated by us on behalf of our company-owned and affiliate businesses, and the amount actually spent for the year, and the remaining balance or deficit in the Brand Fund at the end of the fiscal year. This report will be available to you on your written request within 120 days after the close of our fiscal year.

Social Media Management

We will maintain one or more social media sites (e.g., Facebook, Twitter, Instagram, or other social media sites). You may not establish or maintain any social media sites utilizing any usernames, or otherwise associating with the Marks (as such term is defined in Item 13 below), without our advance written consent. We may designate from time to time regional or territory-specific usernames/handles that you must maintain. You must adhere to any social media policies, including those that may be included in the Manual, that we establish from time to time and must require all of your employees to do so as well.

Promotional Campaigns

We may periodically conduct promotional campaigns on a regional basis to promote our services or marketing themes. You must participate in all promotional campaigns we establish for the region in which your Franchised Business is located.

Grand Opening Advertising Expenditures

We will work with you to create and approve a grand opening advertising plan for the period covering two weeks prior to opening through the first four weeks after opening your Franchised Business for operations.

Local Area Marketing

In addition to required Brand Fund contributions, you must spend a minimum of 5% of Gross Sales per month on advertising in your local market. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Cooperative Advertising

As of the date of this Disclosure Document, we have not established any local or regional advertising or brand awareness cooperatives ("Co-op"). If we do so in the future, you must participate in any cooperative advertising or brand awareness program for the region in which your Franchised Business is located. We may change, dissolve, or merge Co-ops in our sole discretion. You must contribute to the Co-op an amount as determined by the members of the Co-op. Any amount contributed to the Co-op will be credited against the minimum amount which you must spend on local advertising, as described above. There is no advertising council at the present time.

Website

We have established and intend to maintain an internet website at www.ceilingguru.com that provides information about the franchise System (the "Guru Website"). We may (but are not required to) include on the Guru Website an interior page containing information about your Franchised Business. If we include your information on the Guru Website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide. All information is subject to our approval before posting. We will have sole discretion and control over the Guru Website's design and contents. You consent to the posting of information about your Franchised Business on the Guru Website.

We have the sole right to approve any linking to, or other use of, the Guru Website. We have no obligation to maintain the Guru Website indefinitely, and we reserve the right to discontinue it at any time without liability to you. Furthermore, as we have no control over the stability or maintenance of the internet generally, we are not responsible for damage or loss caused by errors or malfunctions of the internet.

You will not be allowed to establish or operate any other website for your Franchised Business or establish or participate in any System related blog or other discussion forum. However, in the event we no longer maintain an internet website at www.ceilingguru.com or another related domain, you may be allowed to establish or operate any other website for your Franchised Business or establish or participate in any System related blog or other discussion forum with our advance written consent.

Training Assistance

At all times during the term of your franchise agreement, at least one management employee at your Franchised Business must have attended and completed our week-long full-time training course to our satisfaction, at our offices in Sunny Isles Beach, Florida, or at some other location we may designate, or through a virtual environment. Your designated representative and management personnel must be approved by us in writing before participating in our training course. There is no tuition fee for attendance by you or your manager or designated representative (up to two attendees) to attend this training course, but all expenses that you and your personnel incur while attending or obtaining the training course will be borne entirely by you. We may charge our then-current training fees for any additional personnel attending the training course, or for any attendees who fail to complete the training course to our satisfaction and must repeat the training.

We may periodically offer additional training programs to you, your manager, and designated representative covering such subjects as new products or procedures, marketing, bookkeeping, accounting and general operating procedures and the establishment, development, and improvement of computer systems. Attendance by you or your manager or designated representative may be mandatory or optional, in our discretion. There is no tuition fee for mandatory or optional training courses. All expenses that you and your personnel incur while attending or obtaining all training will be borne entirely by you. Training hours and content may vary based on the experience and skill level of the individuals attending a particular session.

We will provide an experienced training staff, which will instruct on System operating procedures, steps to opening your Franchised Business, the market for Ceiling Services, and marketing and sales. Our training will primarily be conducted by Rustam Junusov, whom has more than 8 years' experience in the Ceiling Services industry; see Item 2 above. Training may also be conducted by Oleg Ivanov and Lazaro Mayor, whose experience is detailed in Item 2 above. We may employ more training directors, including training directors with different areas of expertise, in the future. Any future trainers will have a minimum of six months' experience in their field.

Instruction materials include our Manual, digital training materials, and related workbooks. New operators and managers must be approved by us and complete training program before assuming active duty at your Franchised Business.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Establishing the Business – Operations & Administration	8 Hours	0 Hours	Sunny Isles Beach, FL or another location designated by Franchisor
Marketing & Sales	8 Hours	0 Hours	Sunny Isles Beach, FL or another location designated by Franchisor
Installation Training	16 Hours	8 Hours	Sunny Isles Beach, FL or another location designated by Franchisor
Totals	**32 Hours**	**8 Hours**	

Scheduling. All training is scheduled by us throughout the year on an as-needed basis to reasonably accommodate franchisees.

Computer Systems

We require you to have a laptop computer and a tablet that can connect to the internet and are capable of running our chosen operating software (the "Management and Technology System"). You are required to use the software, QuickBooks, for functions we designate in the Manual. Otherwise, so long as your computer and mobile communications devices and systems meet these functionalities, you may purchase them from any source. We do not currently, but may in the future, require specified brands or suppliers of communications devices and hardware.

We will have the right to access all information and financial data recorded by your computer for audit and sales verification purposes.

We estimate that the Management and Technology System will cost between $750 and $4,000, which includes the cost of the hardware, software licenses, related equipment, and network connections, including related installation costs. We, or our approved suppliers, will act as vendors or suppliers of some or all of the components of the Management and Technology System.

The Management and Technology System will be dedicated for business uses relating to the operation of the Franchised Business; (i) to use the Management and Technology System in accordance with our policies and operational procedures; (ii) to transmit financial and operating data to us as required by the Manuals; (iii) to do all things necessary to give us unrestricted access to the Management and Technology System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify; (iv) to maintain the Management and Technology System in good working order at your own expense; (v) to ensure that your employees are adequately trained in the use of the Management and Technology System and our related policies and procedures; and (vi) not to load or permit any unauthorized programs on any hardware included in the Management and Technology System.

You also must comply with all laws and payment card provider standards relating to the security of the Management and Technology System, including, without limitation, the Payment

Card Industry Data Security Standards. You are responsible for all consequences that may arise if the system is not properly operated, maintained, and upgraded or if the Management and Technology System (or any of its components) fails to operate on a continuous basis or as we or you expect.

You must give us unrestricted and independent electronic access (including users IDs and passwords, if necessary) to the Management and Technology System for the purposes of obtaining the information relating to the Franchised Business and always maintain that access. You must permit us to download and transfer data via a high-speed internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Management and Technology System.

You must dedicate your computer system for use as the Management and Technology System only and use the Management and Technology System in accordance with our policies and operational procedures. Your employees must complete all training programs we reasonably require for the proper operation and use of the Management and Technology System. You may not use any other cash registers or computer systems in your Franchised Business.

If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. You must replace, upgrade, or update at your expense the system as we may require periodically without limitation. We estimate the average cost to replace, upgrade, or update the Management and Technology System will cost you between $500 - $1,000 per year. We will establish reasonable deadlines for implementation of any changes to our requirements.

For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

Operations Manual

Attached as Exhibit D is a copy of the table of contents of our current Manual, which indicates the number of pages devoted to each topic and the total number of pages, 251, in the Manual.

ITEM 12.
TERRITORY

Franchise Program

Site. Your franchise is for the specific Site that we approve. You must select a site that we have accepted within the non-exclusive Site Selection Area that we specify. The site will be added to the Franchise Agreement once we accept it and you secure it, usually within 14 days after signing the Franchise Agreement. Your Site Selection Area is not exclusive and is only intended to give you a general indication of the area within which you may locate the Site for the Franchised Business.

Relocation. If you would like to relocate your Franchised Business, you must receive our written consent. Our approval will not be unreasonably withheld, provided (i) the new location for the Business is satisfactory to us and within your Site Selection Area, (ii) your lease, if any, for the new location complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the "Relocation Request Date"), (vi) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease. You must pay us a relocation fee as specified in Item 6.

Territory. Once you have secured the Site, we will provide you an area in which you will have protected rights (the "Territory"). Your Territory will typically include between 200,000 – 250,000 individuals, unless your Business is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Central Business District"). If your Center is located in a Central Business District, your Territory may be limited to a geographic area around your Business, as we deem appropriate in our discretion. The size of your Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Business.

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

The Territory is a protected territory. This means that during the term of the Franchise Agreement, provided you are not in default under the Franchise Agreement, we will not operate, or license others to operate, a Business using the System and the Marks inside the Territory. You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Reserved Rights. Among other things, we and our affiliates have the right to (a) establish or license franchises and/or company-owned stretch ceiling installation businesses, or other businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory; (b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Territory; (c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and (d) acquire, be acquired by, or merge with other companies with existing stretch ceiling installation facilities or businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the

Ceiling Guru name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name.

We will not compensate you for any of our activities in your Territory, even if they have an impact on your Business.

Restriction on Rights. You do not have the right to open additional Businesses, nor do you have any rights of first refusal on any other location. You do not have the right to use the Marks or the System at any location other than the Site or in any wholesale, e-commerce, or other channel of distribution besides the retail operation of the Business at the Site. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise. You may not advertise, market, solicit, sell, or service customers outside your Territory ("Non-Exclusive Customers"), unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Even if you sell to a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an encroachment fee of twenty percent (20%) of the Gross Revenue attributed to the Non-Exclusive Customers sales outside of your Territory ("Encroachment Fee").

We reserve the right to establish guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing, including policies related to the allocation of monies when a gift certificate is purchased at one Franchised Business and redeemed at another Franchised Business. We do not have these policies or procedures in place, however, as of the date of this Disclosure Document.

Development Program

Development Area. If you enter into an Area Development Agreement, you will have the right to develop a mutually agreed upon number of Franchised Businesses in the Development Area in accordance with the Development Schedule. The total number of Franchised Businesses to be opened in your Development Area, as well as the size of the Development Area, will be dependent upon a number of factors such as (i) the number of Businesses we grant you the right to open and operate, which will not be less than two (2); and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Area Development Agreement.

You must execute our then-current Franchise Agreement for each Franchised Business that you develop under an Area Development Agreement. You must select a site, and obtain our acceptance of such site, as described above in this Item, at which point we will designate a Territory for the Business. We will use our then-current standards for accepting sites and designating Territories.

The Development Area is an exclusive territory. This means that while the Area Development Agreement is in effect, provided that you open and operate the Businesses in accordance with the Development Schedule and the minimum number of Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required under the Development Schedule, we will not operate, or license any person other than you to operate, a Franchised Business under the Marks and the System within the Development Area.

You must comply with your development obligations under the Area Development Agreement, including your Development Schedule, in order to maintain your exclusive right to develop Franchised Business within the Development Area. If you do not comply with your Development Schedule, we may terminate your Area Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

If a Franchised Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business ("Destruction Event"), you must diligently work to repair and restore the Business to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. Under such circumstances, the Franchised Business will continue to be deemed a "Business in operation" for the purpose of this Agreement for up to 180 days after the occurrence. If a Business (i) is closed in a manner other than those described in the Area Development Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may terminate the Area Development Agreement and all of your exclusive territorial rights, if any, will be eliminated.

The Area Development Agreement and your exclusive right to develop Franchised Businesses in the Development Area will expire on the last development deadline in the Development Schedule unless the Area Development Agreement is terminated sooner. Upon the expiration or termination of the Area Development Agreement, your right to develop Businesses within the Development Area will be terminated. However, Businesses that you have opened will continue to operate under the terms of the applicable Franchise Agreements.

Reserved Rights. Among other things, we reserve the right to: (a) establish or license franchises and/or company-owned stretch ceiling installation businesses or other businesses offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area; (b) sell or offer, or license others to sell or offer, any products, services, or classes using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area; (c) advertise, or authorize others to advertise anywhere, using the Marks; (d) acquire, be acquired by, or merge with other companies with existing stretch ceiling installation facilities or businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Ceiling Guru name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name; and (e) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Area Development Agreement. We will not compensate you for any actions we take in your Development Area.

Activities Outside of the Territory. You may not perform services or sell products related to the Franchised Business outside of the Territory without our prior written consent, which we may give and withdraw as we deem appropriate, and which we may condition on you obtaining a separate phone number or other requirements. You may not solicit or advertise to customers outside of the Territory without our permission. "Solicit" includes, but is not limited to, solicitation in person, by telephone, by mail, through the internet, social media, email, or other electronic means, and by distribution of brochures, business cards, or other materials or any other advertising. If any solicitation of customers within the Territory is in media that will or may reach persons outside of the Territory, you are required to notify us in advance and obtain our consent. If you receive a request for services or products from outside the Territory, you are required to refer that request to the Franchised Business located in the applicable territory (or to us or our affiliate, if we have not assigned the applicable territory to a Franchised Business). However, under certain limited circumstances, you may process a request from outside of the Territory if the requested service is permitted under our policies or otherwise approved by us. If we permit you to advertise, solicit, service or sell in areas outside of the Territory that are not serviced by another Franchised Business or by us (or our affiliate), you will be required to comply with all of the conditions and other requirements that we may from time to time specify in the Manuals or otherwise in writing with respect to such activities. We may at any time condition your continued out-of-Territory sales and services on your agreement to purchase the franchise rights for the territory in which the sales and services are being performed. At any time upon our demand or upon notice from us that the territory in question has been assigned to another Franchised Business, you must immediately cease all activities in that territory and comply with our procedures for the transition of customer accounts for that territory. Under no circumstances will we be liable to you for violations by other Franchised Businesses of our policies on out-of-Territory sales and services.

National or Regional Accounts. We may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program at locations within the Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Territory. If you refuse to perform the required services or we determine that your Franchised Business is not qualified, interested, able or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

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

We do not have an obligation to reserve contiguous territories for you. You do not receive an option, right of first refusal or similar rights to acquire additional franchises within your Territory or contiguous territories.

ITEM 13.
TRADEMARKS

Pursuant to the Franchise Agreement, you are granted a license to operate a Franchised Business using the marks, logo, and other marks in connection with the Franchised Business (the "Marks"). The Marks listed below are the subjects of valid and subsisting U.S. Patent and Trademark Office applications shown below.

In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through a license agreement between WooFo Design, LLC, and Ceiling Guru Franchising, LLC (the "License Agreement") and that we designate as part of the Marks. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement.

WooFo Design, LLC has applied for registration for the following Marks, with the Principal Register of the USPTO and have filed all required affidavits with respect to each of the Marks:

Mark	U.S. App. Ser. No.	App. Date
CEILING GURU	97305862	March 10, 2022

At this time, we do not have a registration for this trademark. Therefore, this trademark does not have many of the legal benefits and rights as a federally registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses.

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

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

We have the right to control any administrative proceeding or litigation involving a trademark licensed by or to you. If you learn of any claim, suit, or demand against you by a third party for any alleged infringement, unfair competition, or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of the claim, suit or demand. We will then take whatever action we, in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the Marks and their validity. We are not obligated to protect any rights awarded to you to use the Marks or protect you against claims of infringement or unfair competition regarding the Marks.

You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise, or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether to prosecute any purported infringement of the Marks and our decisions will be final.

We are the lawful and sole owner of the domain name(s) www.ceilingguru.com. You cannot register any of the Marks owned by us or any abbreviation, acronym, or variation of the Marks, or any other name that could be deemed confusingly similar, as internet domain names. We retain the sole right to advertise the System on the internet and to create, operate, maintain, and modify, or discontinue using, a website using the Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any internet domain name in connection with your franchise.

You may use only the Marks which we designate, and you may use them only in the manner we authorize and permit. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the Franchised Business and only at your Site, on the Equipment, or in advertising for the Franchised Business. You will use all Marks without prefix or suffix and in conjunction with the symbols "SM," "TM," "S" or "®," as applicable, to the extent they have been validly registered in the USPTO. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the franchise System. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "Ceiling Guru." You must promptly register at the office of the county in which your Franchised Business is located, or such other public office as provided for by the laws of the state in which your Franchised Business is located, as doing business under such assumed business name.

All advertising must prominently display the Marks and must comply with our standards for using the Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You may use the Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us, and we must approve, all advertising, publicity, signs, decorations, furnishings, equipment, or other materials employing the Marks, or related marks, before first publication or use. You must identify yourself as the owner of the Business (in the manner we prescribe) in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing on your business location.

If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue use of the Marks or use one or more additional or substitute trade or service marks, you must comply with our directions to modify or discontinue the use of the Marks within the time frame specified by us. We may add to, delete, or modify our Marks. You must accept, use, or cease using, as may be applicable, the Marks, including modified or additional Marks in accordance with our prescribed procedures, policies, rules, and regulations whether contained in the Manual, in the Franchise Agreement, or otherwise. You will not be compensated for any discontinuation or modification of the Marks.

ITEM 14.
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents. We do not own any patents that are material to the franchise.

Copyrights. We claim copyright protection for certain materials (the "Works"), which may include, but are not limited to, the Manual, our websites, software, mobile apps, advertisements, artwork, promotional materials, and signs. We have not registered the copyrights in any of the Works, but we may do so at any time. We will maintain common law copyright and/or copyright registrations for these works as published works. You can use the Works only for the purposes we establish from time to time in writing.

Proprietary Information. You must operate your Franchised Business in accordance with our standards, specifications, policies, and procedures as set forth in the Manual or otherwise communicated to you. You must treat the information contained in the Manual and any other manuals or supplemental material supplied by us as confidential. The Manual is our property, and you may not duplicate, copy, disclose or disseminate the contents of the Manuals at any time, without our prior written consent. We have the right to modify or supplement the Manuals upon notice or delivery to you. You must keep the Manuals current at all times, and upon the termination or non-renewal of your franchise return all copies of the Manual and any supplemental manuals to us.

You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. Information made available to you may not be divulged to any person other than your employees or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities to you. All employees to whom the information, or any of it, is made available shall be informed of this obligation of confidentiality.

Anyone (shareholders, members, employees, officers, directors, etc.) who is provided access to the Manual, or any other confidential information must sign a written agreement (on our standard form) (the "Confidentiality Agreement") imposing an obligation of confidentiality regarding the Manual or other confidential information.

All data that you collect from customers and potential customers in connection with the Franchised Business during the term of the Franchise Agreement ("Customer Data") is our proprietary information and property and you must provide the Customer Data to us at any time that we request. We reserve the right to require that you provide us with remote access to your computer systems and all data related to the Franchised Business stored therein, in a manner that meets our System standards and specifications. You have the right to use Customer Data while the Franchise Agreement or a renewal franchise agreement is in effect, but only in connection with operating the Franchised Business and only in accordance with the policies that we establish from time to time. You may not sell, transfer, or use Customer Data for any purpose other than operating and marketing the Franchised Business. If you transfer the Franchised Business, you cannot transfer the Customer Data to the buyer. At the expiration or termination of the Franchise

Agreement for any reason, you will promptly turn over to us the Customer Data and make no further use of it for any purpose. Since your business relationship with customers is attributable solely to the Marks and the goodwill associated with the Marks, all such business relationships with all customers will revert to us and become our sole and exclusive property upon termination or expiration of the Franchise Agreement.

You may not introduce any "Improvement" (defined as any change, idea, innovation, concept (including any advertising slogan or idea), product, process, or improvement that may enhance or improve the System) into the Franchised Business without our prior written consent. Any Improvement developed by you, or any owner, employee, or agent is deemed to be our property. At our request, you must provide us with information about the Improvement and sign any documents necessary to verify assignment of the Improvement to us, without compensation. We will have the right to use, disclose, and/or license the Improvement for use by others.

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

Unless we approve your employment of management personnel to operate the Franchised Business, you must actively participate in the actual operation of the Franchised Business and devote as much of your time as is reasonably necessary for its efficient operation. We require that you actively participate in the operation and supervision of the Franchised Business. You (if you are an individual) and/or your approved management must attend our training programs. Refer to Item 11 for details. You and your management personnel must complete our initial training program to our sole, subjective satisfaction.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, "Owners"), to personally guaranty your obligations under the Franchise Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement.

All of your owners, management personnel, and employees who are provided access to the Manual or other confidential information must sign a Confidentiality Agreement.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer and sell all products and services that we designate as required items for Franchised Businesses. You may also offer for sale any optional products and services that we have approved for sale in the Franchised Business. You are prohibited from offering any unapproved products or services, and you must discontinue selling or offering for sale any products or services that we disapprove at any time.

We have the right to add products or services that you must offer. There are no limits on our right to do so. We will have the right to determine if services offered are appropriate for your Franchised Business.

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

In the marketing and operation of the Franchised Business, you must use only the customer contracts, waivers, and/or other forms we designate from time to time. We may provide templates or sample forms of such items, but it is your responsibility to have all items which are to be used with prospective or actual customers reviewed by an attorney licensed to practice law in the state(s) where the Franchised Business is operated, for compliance with all applicable state and local legal requirements. We do not represent that any contracts, waivers, or other forms or materials we supply are in compliance with the laws of any particular state or locality.

You must provide services for any National, Regional or Key Accounts with locations in your Territory (see Item 12). If you refuse to perform the required services, or if we determine that your Franchised Business is not qualified, interested, able or available to perform the services, you are required to allow us or another franchisee to service the accounts.

You may be required to participate in programs relating to gift cards, gift certificates, stored value cards, online or mobile coupons or credits, online or mobile ordering systems, and other electronic money programs we prescribe for Franchised Businesses. Participation includes both issuing program benefits or credits and accepting them for payment by customers and may require you to purchase additional equipment. We will have the right to coordinate the crediting and debiting of funds among Franchised Businesses based on customer purchases and redemption of stored value. You are also required to participate in any customer loyalty programs we prescribe. You may not offer your own gift card, electronic money, or loyalty program for the Franchised Business without our prior written approval.

[Remainder of page intentionally left blank. Item 17 begins next page.]

ITEM 17.
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should carefully read these provisions in the Franchise Agreement attached to this Disclosure Document.

A. Franchise Agreement

Provision	Section (§) in Franchise Agreement	Summary
a. Length of the franchise term	§2.1	The term is 10 years from the date we execute the Franchise Agreement.
b. Renewal or extension of the term	§2.2	If Franchisee is not in default under this Agreement, Franchisee may renew this Agreement (a "Renewal") for two additional consecutive successor terms of five (5) years each (each a "Renewal Term").
c. Requirements for you to renew or extend[1]	§2.2	Franchisee may renew, which means that Franchisee may sign a successor Franchise Agreement which may contain materially different terms and conditions as the initial Franchise Agreement, as long as Franchisee shall exercise its option to renew the Initial Term of this Agreement for a Renewal Term by providing written notice thereof to Franchisor not less than six (6) and not more than twelve (12) months prior to the expiration of the Initial Term or the then current Renewal Term; otherwise, the renewal option shall expire automatically (the Initial Term and each Renewal Term is referred to herein as the "Term"). At least thirty (30) days prior to the start of a Renewal Term, Franchisee shall pay to Franchisor a renewal fee in an amount equal to five thousand dollars ($5,000). Each Renewal will be in accordance with Franchisor's then current terms and conditions for granting renewal franchises, which may include: (i) execution of a new and modified franchise agreement with different performance standards, fee structures and/or increased fees; (ii) execution of a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries or affiliates (if applicable) and their officers, directors, attorneys, shareholders and employees; and (iii) a requirement that Franchisee upgrade or refurbish Equipment to conform to Franchisor's then-current standards.
d. Termination by you	§14.3	Subject to state law
e. Termination by us without cause	N/A	N/A
f. Termination by us with cause	§14	As defined in (g.) and (h.) below. In addition, your default under any other agreement that you or an affiliate has with us, or our affiliates, will constitute a default subject to any applicable provisions for notice and cure set forth in the other agreement.

Provision	Section (§) in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	§14.1 (a)	If Franchisee fails to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which Franchisor gives notice of such delinquency, (b) immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately upon written notice if Franchisee is determined to have under- reported its Gross Sales during any month by two percent (2%) or more of the actual Gross Sales during such month on two (2) or more occasions during the Term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency; if Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority to comply with any law or regulation applicable to the operation of the Business; if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty, or certification herein or fails to operate the Business as specified by Franchisor in the Manual, fails to pay promptly any undisputed invoices from Franchisor or suppliers, and fails to cure such non-compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof; if Franchisee abandons or ceases to operate all or any part of the Business conducted under this Agreement for seventy-two (72) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Business or the Site, fails to cure such abandonment or default and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party.
h. "Cause" defined – non-curable defaults	§14.1 (b)	Automatically, without notice or action required by Franchisor, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by Franchisee, or such a petition is filed against and consented to by Franchisee or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed; or if a final judgment in excess of Five Thousand Dollars ($5,000) against Franchisee relating to the Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction); if Franchisee fails to commence operation of the Business as required by Article 8; if Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore;

Provision	Section (§) in Franchise Agreement	Summary
		if there is any violation of any transfer and assignment provision contained in Article 13 of this Agreement; if Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period; if Franchisee or its Designated Owner or Designated Representative fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Section 8.4 of this Agreement; if Franchisee violates any covenant of confidentiality or non-disclosure contained in Article 9 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods, or information created or used by Franchisor and designated for confidential use within the System without Franchisor's prior approval; if Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Business is convicted of a felony, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the System, the Marks, or the goodwill associated therewith; if Franchisee or any guarantor(s) hereof default on any other agreement with Franchisor, or any affiliate or parent corporation of Franchisor, and such default is not cured in accordance with the terms of such other agreement; if Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification in this Agreement related to the Marks, including misuse of the Marks.
i. Your obligations on termination/ non-renewal	§15	Cease operating the Business under the System. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former franchised business is operated or in any way connected with Franchisor or the System or hold itself out as a present franchisee of Franchisor; Pay all sums owing to Franchisor, including those invoiced to Franchisee after this Agreement expires or is terminated. Upon termination of this Agreement pursuant to any default by Franchisee, such sums shall include, but not be limited to, actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of the termination. Return to Franchisor the Manual and all trade secret and other confidential materials, equipment and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law; Take such action as may be required by Franchisor to transfer and assign to Franchisor or its designee or to disconnect and forward all telephone numbers, e-mail, internet and other electronic references and advertisements, and all trade and

Provision	Section (§) in Franchise Agreement	Summary
		similar name registrations and business licenses, and to cancel any interest which Franchisee may have in the same; and Cease to use any methods, procedures or techniques associated with the System; cease to use the Marks and indicia of operation associated with the System, and any marks confusingly similar thereto, and remove all trade dress, physical characteristics, color combinations and other indications of operation under the System. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will de-identify so as to make it not confusingly similar to Franchisor's standardized and recognizable indicia or colors. If Franchisee fails to make such alterations within fifteen (15) days after termination or expiration of this Agreement, Franchisee agrees that Franchisor or its designated agents may enter upon the Site at any time to make such alterations, at Franchisee's sole risk and expense, without liability for trespass.
j. Assignment of contract by us	§13.1	This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole discretion, but only to a person or legal entity that agrees to assume Franchisor's obligations hereunder, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the equity of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.
k. "Transfer" by you – defined	§13.2	Directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest; (i) in this Agreement or any portion or aspect thereof, (ii) the Business, or (iii) any equity or voting interest in Franchisee that equals or exceeds twenty percent (20%) of the total equity or voting interests in Franchisee on a fully diluted basis, nor permit the Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee.
l. Our approval of transfer by you	§13	Transfers require (i) our prior written consent, which will not be unreasonably withheld; and (ii) the satisfaction of certain conditions.
m. Conditions for our approval of transfer	§13.3	The proposed transferee is a person or entity that meets the Franchisor's standards of qualification then applicable with respect to all new applicants for similar Franchisees; The proposed Transfer is on commercially reasonable terms; The Transfer Fee is paid to Franchisor; As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied; As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor under all other agreements of any kind between the proposed transferee and

Provision	Section (§) in Franchise Agreement	Summary
		Franchisor are fully satisfied; and As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its reasonable business judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this Article 13.
n. Our right of first refusal to acquire your business	§13.9	We can match any offer for your business.
o. Our option to purchase your business	§15.6	Upon expiration or termination of the Franchise Agreement, we may purchase your business.
p. Your death or disability	§13.8	Same requirements as for transfer in (m.) above.
q. Non-competition covenants during the term of the franchise	§12.1	Franchisee agrees: To use its best efforts in operating the Business and in recommending, promoting, and encouraging patronage of all Ceiling Guru businesses; Not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity in any Competing Business at or within a twenty-five (25)- mile radius of the Site or the protected territory of any other System franchisees in operation.
r. Non-competition covenants after the franchise is terminated or expires	§12.2	For a period of two (2) years after such termination, expiration, non-renewal, transfer, or assignment, not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competing Business at or within a twenty-five (25)- mile radius of the Site or the protected territory of any other System franchisees in operation at the time of such termination, expiration, non-renewal, transfer or assignment.
s. Modification of the agreement	§17.2	The Manual is subject to change. Modifications become effective upon delivery of written notice to you unless the notice specifies a longer period. No modification unless by mutual written agreement.
t. Integration/merger clause	§6	All agreements between the parties are in the Franchise Agreement and its exhibits. Subject to applicable state law, only the terms of the Franchise Agreement are binding. **Any representations or promises made outside this Disclosure Document and franchise agreement may not be enforceable.**
u. Dispute resolution by arbitration	§16	Mandatory mediation and arbitration in Palm Beach County, Florida. We may seek injunctive relief without submitting to mandatory mediation or arbitration. Subject to applicable state law.
v. Choice of forum	§16.2	Except for certain claims, all disputes must be arbitrated in Sunny Isles Beach, Florida. Subject to applicable state law.
w. Choice of law	§16.3	Florida law applies. Subject to applicable state law.

This table lists important provisions of the Area Development Agreement. You should carefully read these provisions in the Franchise Agreement attached to this Disclosure Document.

B. Area Development Agreement

Provision	Section (§) in Area Development Agreement	Summary
a. Length of the franchise term	§5	The term expires upon the deadline to develop the Franchised Businesses specified in the Development Schedule or upon the development of all Franchised Businesses.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	§6.1	We can terminate only if you default (see (g) and (h) below).
g. "Cause" defined – curable defaults	Not applicable	Not Applicable
h. "Cause" defined – non-curable defaults	§6.1	You fail to have open and operating the minimum number of Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Area Development Agreement.
i. Your obligations on termination/ non-renewal	§6.2	You will lose the right to continue to develop Franchised Businesses in your Development Area. Any termination of the Area Development Agreement will not affect your Franchise Agreements in effect at time of termination, and vice versa unless we mutually agree otherwise.
j. Assignment of contract by us	§7	Fully assignable and transferrable by us.
k. "Transfer" by you – defined	§7	Includes transfer of the Area Development Agreement, any interest in the Area Development Agreement, or, if you are a business entity, any interest in the entity.
l. Our approval of transfer by you	§7	We have the right to approve or not approve all transfers in our sole discretion.
m. Conditions for our approval of transfer	§7	We have sole discretion in setting conditions for our approval of a transfer.
n. Our right of first refusal to acquire your business	§7	We have the first right of refusal on all transfer, exercisable withing 30 days of receiving an executed copy of the contract of transfer.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Not applicable	We have the right approve or disapprove any transfer in our sole discretion.
q. Non-competition covenants during the term of the franchise	§8	The non-competition covenants in your Franchise Agreement shall apply to your Area Development Agreement.

Provision	Section (§) in Area Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	§8	The non-competition covenants in your Franchise Agreement shall apply to your Area Development Agreement.
s. Modification of the agreement	§9	No modifications to the Area Development Agreement unless you and we agree in writing. We may amend the Operations Manual at any time.
t. Integration/merger clause	§9	Only the terms of the Area Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Area Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.
u. Dispute resolution by arbitration	§8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Area Development Agreement (subject to applicable state law)
v. Choice of forum	§8	The choice of forum provisions of the Franchise Agreement applies to the Area Development Agreement (subject to applicable state law)
w. Choice of law	§8	The choice of law provision of the Franchise Agreement applies to the Area Development Agreement (subject to applicable state law)

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

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

ITEM 18.
PUBLIC FIGURES

We currently do not use any public figures to promote our franchise, although we reserve the right to engage a public figure for endorsements in the future. No public figure is involved in the management or control of Ceiling Guru Franchising, LLC, or the Ceiling Guru brand.

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 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 an 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 an Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rustam Junusov at 17100 Collins Ave., #210, Sunny Isles Beach, FL 33160, by phone at (855) 500-4454, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2019 TO 2021

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE (+ or -)
Franchised	2019	0	0	-
	2020	0	0	-
	2021	0	0	-
Company Owned	2019	1	1	-
	2020	1	1	-
	2021	1	1	-
Total Outlets	2019	1	1	-
	2020	1	1	-
	2021	1	1	-

TABLE NO. 2
TRANSFER OF OUTLETS FROM
FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2019 TO 2021

STATE	YEAR	NUMBER OF TRANSFERS
FL	2019	0
	2020	0
	2021	0
Total Outlets	2019	0
	2020	0
	2021	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2019 TO 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWA LS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS - OTHER REASONS	OUTLETS AT END OF YEAR
FL	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total Outlets	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

TABLE NO.4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2019 TO 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
FL	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total Outlets	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2021

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR
FL	0	3	0
TOTAL	0	3	0

Our fiscal year ends on December 31 of each year. We have presented the foregoing numbers as of December 31, 2021.

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their outlets as of December 31, 2021. Currently, there are none.

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

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

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

ITEM 21.
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our audited opening balance sheet for the period ending September 9, 2022. As we were formed in August 2022 and will begin offering franchises at the publication of this Disclosure Document, we have not been in business for three years or more and cannot include all financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

ITEM 22.
CONTRACTS

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

Document/Contract	Location in FDD
Operations Manual Table of Contents	Exhibit D
Franchise Agreement (FA)	Exhibit E
Area Development Agreement (ADA)	Exhibit F
Form of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Franchise Agreement Riders	Exhibit I
Receipts	Last 2 pages

ITEM 23.
RECEIPTS

Attached as the last 2 pages of this Disclosure Document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

FINANCIAL STATEMENTS

Ceiling Guru Franchising, LLC

(A Florida Limited Liability Company)

Balance Sheet with Report of Independent Auditors
September 9, 2022

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DA ADVISORY GROUP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Member of
Ceiling Guru Franchising, LLC:

Report on the Financial Statements
We have audited the accompanying Balance Sheet of Ceiling Guru Franchising, LLC, a Florida limited liability company, which comprise the balance sheet as of September 9, 2022, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditors' 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 auditors consider internal control relevant to the Company'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 Company'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 statements.

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 balance sheet referred to above present fairly, in all material respects, the financial position of Ceiling Guru Franchising, LLC as of September 9, 2022 in accordance with accounting principles generally accepted in the United States of America.

DA Advisory Group

Troy, MI
September 20, 2022

Ceiling Guru Franchising, LLC
(A Florida Limited Liability Company)
Balance Sheet
As of September 9, 2022

		September 9, 2022
Assets		
Current Assets		
Cash and cash equivalents	$	20,076
Total Current Assets		20,076
Total Assets	$	20,076
Liabilities & Member's Equity		
Liabilities		
Current Liabilities		-
Long-term Debt		-
Total Liabilities		-
Member's Equity		20,076
Total Liabilities and Member's Equity	$	20,076

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

Ceiling Guru Franchising, LLC
(A Florida Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
September 9, 2022

NOTE 1 – THE COMPANY

Ceiling Guru Franchising, LLC (the "Company") is a Florida limited liability company formed in August 2022. The Company awards franchises for its variety of unique lighting systems, installation profiles, and stretch ceiling applications.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Concentration of Credit Risk – Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's insurance limit of $250,000. The Company maintains its cash and equivalents with an accredited financial institution.

Use of 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. Actual results could vary from those estimates.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this report, which is the date the Balance Sheet was available to be issued. The only subsequent event requiring disclosure is that of COVID-19. In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state, and local authorities resulting in an overall decline in economic activity. The effects of COVID-19 have continued to have an impact on the economy in 2022. There has not been indication of negative impact of COVID-19 on the financial performance of the Company based on our understanding as of the Balance Sheet date or in the subsequent period.

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

List of State Regulatory Administrators

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

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
OREGON Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

List of Agents for Service of Process

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

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

EXHIBIT C

LIST OF CURRENT FRANCHISEES

CURRENT FRANCHISEES

NONE.

FORMER FRANCHISEES

NONE.

EXHIBIT D

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FRANCHISE AGREEMENT
WITH ATTACHMENTS

CEILING GURU®

FRANCHISE AGREEMENT

between

CEILING GURU FRANCHISING, LLC

and

____

FRANCHISEE

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G. FORM NONDISCLOSURE AND NONCOMPETE

CEILING GURU FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into as of the date set forth on Attachment A of this Agreement (the "Effective Date") (Attachment A and all other attachments to this Agreement are hereby incorporated by this reference) between Ceiling Guru Franchising, LLC, a Florida limited liability company doing business under the trade name Ceiling Guru ("Ceiling Guru"), and the person or entity identified on Attachment A as the franchisee ("Franchisee"). In this Agreement, "we," "us," and "our" refers to Ceiling Guru. "You" and "your" refers to Franchisee.

BACKGROUND

We and our affiliates have accumulated knowledge and experience in the stretch ceiling installation industry on the basis of which we have developed and will continue to develop a distinctive business format and set of specifications and operating procedures (collectively, the "System") for the operation of franchised outlets (each franchised unit shall be referred to herein as a "Business") that operate under the Ceiling Guru mark and offer such services to the public.

The distinguishing characteristics of the System include, but are not limited to, our Business designs, layouts, and identification schemes (collectively, the "Trade Dress"), our specifications for equipment, inventory, and accessories; our website or series of websites for the Business (the "System Website"); our relationships with vendors; our software and computer programs; our billing system; the accumulated experience reflected in our operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements ("System Standards") set out in our operations manual ("Manual") and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

We identify the Businesses operating under the System by means of the Ceiling Guru mark and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos as we set forth (collectively, the "Marks"). We may designate for your use other trade names, service marks, and trademarks as Marks from time to time. These marks which will also be included in the term the "Marks."

We may have engaged an area representative to provide certain services to you under this Agreement pursuant to an Area Representative Agreement. If an area representative will be providing you with services as of the Effective Date, the area representative will be listed on Attachment A (the "Area Representative"). We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

If you are a corporation, limited liability company, partnership, or other entity (collectively, an "Entity"), all of your owners of a legal and/or beneficial interest in the Entity (the "Owners") are listed on Attachment A. If you are an Entity, the individual owner who you must appoint to have authority over all business decisions related to your business and to have the power to bind you in all dealings with us will be referred to as your "Principal Executive."

You desire to open and operate a Ceiling Guru Business using the Marks and the System, and we are willing to grant to you a license to open and operate a Business on the terms and conditions of this Agreement.

In consideration of the foregoing promises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article 1 Rights Granted

§1.1. Grant of Franchise. On the terms and conditions of this Agreement, we grant to you a non-exclusive license (the "License") to operate one Business using the Marks and the System. The Business will be located at a site to be mutually agreed upon subsequent to the execution of this Agreement (the "Site"), within the area set forth on Attachment A (the "Territory"). You have no right to (i) sublicense the Marks or the System to any other person or entity, (ii) use the Marks or the System at any location other than the Site, or (iii) to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution besides the operation of the Business at the Site.

§1.2. Acceptance of License. You hereby accept the License and agree to operate the Business according to the provisions of this Agreement for the entire Term, as defined in this Agreement.

§1.3. Limited Territorial Protection. A description of your Territory's boundaries is set forth on Attachment A. Except as provided in this Article, we and our affiliates will not open, or license a third party to open, a Business within your Territory. Except for the foregoing sentence, we and our affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Business. For example, without limitation, we have the right to:

(a) establish or license franchises or company-owned Businesses or enterprises offering similar or identical products, services, classes, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory;

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

(c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and

(d) acquire, be acquired by, or merge with other companies with existing stretch ceiling businesses or other businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the Ceiling Guru name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name.

§1.4. Principal Executive. If you are an Entity, you must designate one individual to have authority over all business decisions related to your Business and the power to bind you in all dealings with us ("Principal Executive"). Your Principal Executive must directly or indirectly own at least ten percent (10%) of the total outstanding ownership interests in your Entity. Your Principal Executive must be listed on Attachment A. You may not change your Principal Executive without our prior written approval.

§1.5. Ownership and Guarantee.

(a) Owners of Equity. If you are an Entity, each of your Owners must execute Attachment B, "Payment and Performance Guarantee" (the "Guarantee"). By executing the Guarantee, each Owner will be bound by the provisions contained in this Agreement, including without limitation the covenants against competition. A violation of any of the provisions of this Agreement by any Owner will also constitute a violation by you of your obligations under this Agreement. You represent that the individuals executing this Agreement under the Guarantee are your sole owners.

(b) Governing Documents. If you are (or Transfer this Agreement to) an Entity, upon our request, you agree to furnish us with a list of holders of direct or indirect equity interests and their percentage interests, as well as copies of your governing documents and any other corporate documents, books, or records, including certificates of good standing from your state. The Owners may not enter into any shareholders' agreement, management or operating agreement, voting trust, or other arrangement that gives a third party the power to direct and control your affairs without our prior written consent. During the Term, your governing documents must provide that no transfer of any ownership interest may be made, except in accordance with this Agreement. Any securities that you issue must bear a conspicuous printed legend to that effect.

Article 2 Initial Term and Successor Term

§2.1. Initial Term. The initial term (the "Initial Term") of the License begins on the Effective Date and ends on the tenth anniversary thereof.

§2.2. Successor Term. On expiration of the Initial Term, if you (i) are not in default under this Agreement, (ii) have substantially complied with this Agreement throughout the Term, (iii) have timely paid all monies due to us or our affiliates, and (iv) comply with this Article, you may, at your option, obtain two additional consecutive successor terms of five years each (each, a "Successor Term"). The Initial Term and Successor Terms are referred collectively in this Agreement as the "Term." You may only exercise this right to obtain a Successor Term by:

(a) giving us written notice of your desire to obtain a successor License at least six, but no more than twelve, months before the expiration of the then-current Initial Term or Successor Term;

(b) delivering to us a fully executed franchise agreement on our then-current form of franchise agreement, which you acknowledge may contain terms materially different than those contained in this Agreement, including, but not limited to, higher fees and charges, and a modified Territory;

(c) refurbishing or renovating the Business, at your expense, to conform the decor, color schemes, storefront, signage, and presentation of the Marks to our then-current image and, if necessary, in our sole opinion, to update and replace the equipment, furniture, signage, and fixtures to meet our then-current specifications;

(d) executing a general release, in a form we prescribe, of any and all claims against us, our Area Representatives, our affiliates, and our and their past, present, and future officers, directors, shareholders, and employees arising out of, or relating to, your Business;

(e) completing, and having your Principal Executive complete, all of our then-current training requirements, including any additional training that we may require;

(f) securing the right from your landlord to continue operating at the Site for the remainder of such Successor Term;

(g) substantially and timely complying with each provision of this Agreement or any other agreement with us, our affiliates, or your landlord throughout the Initial Term and having no Event of Default (as defined in in this Agreement), or event which with the giving of notice and/or passage of time would constitute an Event of Default, in existence as of the expiration of the Initial Term; and

(h) paying to us the Successor Fee (as defined in this Agreement).

Article 3 Fees

§3.1. Franchise Fee. You must pay us an initial franchise fee as set forth on Attachment A (the "Franchise Fee"). The initial Franchise Fee is paid in consideration of the rights granted in Article 1 (Rights Granted), is due on execution of this Agreement, and will be deemed fully earned when due. You acknowledge that we have no obligation to refund the Franchise Fee, in whole or in part, for any reason. Due to our financial condition, state regulators in California, Illinois, Maryland, North Dakota, and South Dakota require us to defer collection of our Franchise Fee until we have met our opening obligations or until you are operating your Business.

§3.2. Royalty Fee.

(a) Amount of Royalty Fee. You must pay us a monthly royalty fee (the "Royalty Fee") equal to seven percent (7%) of your Gross Sales for the previous month beginning in your seventh (7th) month of operations. For clarity, your first Royalty Fee payment will be made during your seventh (7th) month based on your Gross Sales in your sixth (6th) month of operations. The Royalty Fee is non-refundable and is paid in consideration of the ongoing right to use the Marks and the System in accordance with this Agreement and not in exchange for services rendered by us.

(b) Gross Sales. "Gross Sales" means the total dollar amount of all sales generated through your Franchised Business, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales do not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding sales and revenue recognition, reporting, and the inclusion or exclusion of certain sales from Gross Sales as circumstances, business practices, and technologies change.

§3.3. Brand Fund Contribution. You must contribute up one percent (1%) of your Gross Sales, up to a maximum of three percent (3%) of Gross Sales, to a fund we have established to promote the Ceiling Guru brand as described in this Agreement ("Brand Fund Contribution"). We reserve the right to change the amounts of the Brand Fund Contribution and minimum Contribution on sixty (60) days' advance written notice.

§3.4. Technology Fee. You agree to pay us a fee for the cost of your access to and usage of our system, intranet, mobile applications, websites and other products and services we designate for use in the Business ("Technology Fee"). The current fee is two hundred fifty dollars ($250) per month. We reserve the right to add, remove, and modify the services included with the Technology Fee and to increase or decrease the amount of the fee accordingly on written notice to you.

§3.5. National Account Fees. We may enter into agreements for sale of goods and services in multiple territories, including in your Territory ("National Accounts"). If you provide goods or services to a National Account we manage, we may charge an additional fee of up to ten percent (10%) of Gross Revenue attributable to National Accounts ("National Account Fee").

§3.6. Convention Fee. We may organize national or regional conventions and require you, your Owners, and your Principal Executive to attend. We may charge a reasonable registration fee and require you to register one or more attendees ("Convention Fee"). The current Convention Fee is five hundred dollars ($500) per attendee plus the costs and expenses of travel for you and attendees you register. All Convention Fees are nonrefundable.

§3.7. Non-Compliance Fee. We may charge you five hundred dollars ($500), per occurrence, if we find in our reasonable discretion that you are not in compliance with your obligations under this Agreement ("Non-Compliance Fee"). The Non-Compliance Fee may be charged until you maintain compliance with this Agreement for at least ninety consecutive days. We may include in the Non-Compliance Fee reasonable compensation and all costs and expenses we incur in performing follow-up inspections to evaluate your compliance.

§3.8. Management Fee. If we elect to operate your Business on your behalf in accordance with the terms of this Agreement, you agree to pay us a fee equal to five percent (5%) of Gross Sales earned during our management of the Business ("Management Fee").

§3.9. Successor Fee. Upon your execution of a successor franchise agreement, you will pay to us a successor fee equal to five thousand dollars ($5,000) (the "Successor Fee").

§3.10. Transfer Fee. If you Transfer (as defined in this Agreement) your Business or this Agreement, you must pay us a Transfer Fee equal to ten thousand dollars ($10,000) ("Transfer Fee").

§3.11. Payments of Fees. Your Royalty Fees, Brand Fund Contribution, and other regular fees (the "Operating Fees") are due to us and must be reported to us at the times and in the manner that we specify from time to time in the Manual or otherwise. Currently, you must pay us your Operating Fees monthly on or before the fifth day of each month, based on your Gross Sales for the preceding month. All other fees and payments due to us must be paid to us within ten days of the event that triggers the fee or your receipt of an invoice from us.

§3.12. Methods of Payment. You must make all payments to us by the method or methods that we specify from time to time in the Manual, which may include payment via wire transfer or electronic debit to your bank account. You must furnish us and your bank with all authorizations necessary to effect payment by the methods we specify. We currently require you to make payment by electronic debit from your specified checking or savings account, and you must complete and sign an Electronic Funds Transfer Authorization Form for this purpose. You must deliver a copy of the Authorization to us within five business days of our request. You must maintain sufficient funds in your account to permit us to withdraw the Operating Fees due from time to time. You may not, under any circumstances, set off, deduct, or otherwise withhold any Operating Fees, interest charges, or any other monies payable under this Agreement on grounds of our alleged non-performance of any obligations or for any other reason. We may require you to purchase merchant processing services from us, our affiliates, or a vendor that we have approved or designated, each of whom may charge a reasonable monthly fee and reasonable per transaction fee. The payment processor may process all credit card payments related to your Business, and remit payment to you of all monies owed, after withholding any Operating Fees payable to us and any payment processing fees payable to such processor. If you fail to timely report your Gross Sales, or we are otherwise unable to access your Gross Sales, we may estimate the amount of fees due and make a corresponding withdrawal from your bank account based on our estimate, plus 20% of our estimate. If we underestimate any fees due, you will remain obligated to pay the total amount of fees due, which, if we institute an automatic debit program, we may debit from your account automatically. If we overestimate any fees due, we will credit the fees paid (without interest) against fees due in the next payment period after we receive accurate records regarding your Gross Revenue.

§3.13. Interest; Late Fee. If any payment due to us is not received in full by the due date, you agree to pay us daily interest on the amount owed, calculated from the due date until paid, at the rate of eighteen percent (18%) per annum (or the maximum rate permitted by law, if less. You also agree to pay us a late fee in the amount of one hundred dollars ($100) for each week that a payment is paid after the applicable due date. This late fee is subject to increase upon sixty (60) days' prior written notice but will not be increased more than once in any 12-month period. You acknowledge that this paragraph is not our agreement to accept any payments after they are due and that any late payments are a default under this Agreement.

§3.14. Taxes. You are responsible for all taxes, assessments, and government charges levied or assessed on you in connection with your business activities under this Agreement. In addition, as part of the Royalty Fee, Brand Fund Contribution, Training Fee, Technology Fee, or any other fees that we charge, you will pay to us the amount of any taxes imposed on us or our affiliates (and any taxes imposed on us or our affiliates as a result of such imposition) by federal, state, or local taxing authorities as a result of our receipt of any such fees, not including any tax measured on our income.

Article 4 Site Selection, Development, and Opening of Business

§4.1. Site Selection. You are not required, but we strongly recommend, you secure an office or other space suitable for the operation of the Business and satisfactory to us within the Territory. Before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require. We will review each site, including your home or another site you own, that we or you identify and determine whether to accept it using our criteria. You acknowledge that we may refuse to accept a proposed site for any reason. If we accept the proposed site and you obtain it, we will insert a description of the specific location on Schedule 1 to Attachment A. YOU ACKNOWLEDGE AND AGREE THAT OUR ACCEPTANCE OR PROPOSAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR OUTLET. WHILE WE MAY PROVIDE ASSISTANCE AND GUIDANCE, IT IS SOLELY YOUR RESPONSIBILITY TO SELECT A SUITABLE SITE FOR THE BUSINESS. The address listed on Schedule 1, if completed and signed by us, will be the "Site" referred to in this Agreement. A site is not accepted until you have received our acceptance in writing, as indicated by our delivery of the completed and signed Schedule 1.

§4.2. Definition of the Territory. The Site must be located in your Territory as defined in Attachment A. We define territories based on the factors that we deem relevant, in our sole discretion, which might include number of residential contractors operating in the surrounding area, demographics, the character and location of the Site, and nearby businesses and residences.

§4.3. Site Acquisition.

(a) Consent. Before you make a binding commitment to acquire a site, we must accept the location and approve in writing any letter of intent, lease, or purchase agreement proposed between you and another party. If you lease the Site, you must arrange for the execution of the Lease Rider in the form of Attachment E by you and your landlord in connection with any lease or sublease for your Site ("Site Lease") and any other provisions that we may reasonably require. Our review of the Site Lease is for our own benefit only and is not intended to supplement or replace a review by your attorney. We may require you to engage an attorney and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the other party.

(b) Deadline. You must secure a Site by signing a Site Lease or purchase agreement within ninety (90) days of the Effective Date (the "Site Acquisition Deadline"). We may extend the Site Acquisition Deadline in our discretion. We may require you to execute a release as a condition of the extension. If we have accepted a site for your Business and you are unable or unwilling to acquire it or an alternative site that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement. You must deliver to us the completely executed purchase agreement or Site Lease and Lease Addendum within ten (10) days of the execution of the Site Lease or purchase agreement, and you may not amend, terminate, or renew any Site Lease without our written consent. You must comply with the terms and conditions of your Site Lease. We are not obligated to execute your lease or guarantee a lease for you.

§4.4. Opening Deadline. You must complete construction of and open your Business no later than ninety (90) days after possession of the Site is delivered to you (the "Opening Deadline"), unless we grant you an extension in writing. We will provide you with any specifications that we develop for fixtures, furnishings, equipment, and signage, which may include the names of approved suppliers. We do not supply these items directly, nor do we assist with delivery or installation. We may, in our sole discretion, extend the Opening Deadline, which we may condition on you executing a general release. You may not open the Business until you have received our written approval. You must open the Business within ten (10) days of the date we give our written approval. Time is of the essence in opening the Business.

§4.5. Relocation. You may not relocate the Business without our prior written consent. Such approval will not be unreasonably withheld, provided that (i) the new location for the Business premises is satisfactory to us and you comply with our then-current real estate project management requirements, (ii) your lease, if any, for the new location complies with our then-current requirements and you and your landlord execute the Lease Rider, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Business, (v) you have fully performed and complied with each provision of this Agreement in the three years prior to the relocation (the "Relocation Request Date"), (vi) no Event of Default (as herein defined), or event which with the giving of notice and/or passage of time would constitute an Event of Default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If your Site Lease expires or is otherwise terminated, you must secure our approval of another site and enter into a Site Lease for the new approved site within ninety (90) days. We reserve the right to terminate this Agreement if you fail to secure a new approved site within ninety (90) days after you lose the Site Lease.

Article 5 Training and Assistance

§5.1. Initial Training. Prior to opening the Business, you (or your Principal Executive) and any key employees you designate to assist in supervising the day-to-day operations of the Business (collectively, "Required Trainees") must personally attend and satisfactorily complete our initial training program ("Initial Training"). We will provide Initial Training as soon as practicable after the execution and delivery of this Agreement at our offices, currently in Sunny Isles Beach, Florida, online, or at any other location that we designate, including on-site at your location. Currently, Initial Training includes (i) thirty-two (32) hours of Classroom Training; and (ii) eight (8) hours of on-the-job training. We reserve the right to modify the length and location of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training or have previously been trained at one of our Business. Each subsequent Principal Executive must attend our Initial Training unless we otherwise agree in writing, but we may permit them to attend Initial Training remotely via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine.

(a) Cost. We will provide instructors, facilities, and materials for up to two Required Trainees at no cost, provided that all of your trainees are trained during the same training session. You are solely responsible for any costs of travel, expenses, and wages associated with attendance at Initial Training. If space is available, you may bring more than two representatives to Initial Training. We reserve the right to charge a training fee of five hundred dollars ($500) per trainee, which we may increase upon sixty (60) days' written notice to you, for (i) each person in excess of two trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Principal Executive or employee who attends the course. As used in this Agreement, "Training Fee" means any fee imposed in accordance with this Article.

(b) Completion of Initial Training. If your Required Trainees are unable to successfully complete, in our sole discretion, Initial Training for any reason, your Required Trainees must repeat Initial Training, or you must send replacement Required Trainees to complete Initial Training. Your Required Trainees must successfully complete Initial Training at least ten (10) days before the Opening Deadline. If you and your personnel satisfactorily complete our Initial Training and you do not expressly inform us at the end of Initial Training that you feel that you or they have not been adequately trained, then you and they will be deemed to have been trained sufficiently to operate a Business.

§5.2. Opening Advice. Prior to opening your Business, we will work with you to create a pre-opening marketing plan for the Business. We may provide additional pre-opening assistance as we deem appropriate in our sole discretion.

§5.3. Additional Training. We may periodically conduct mandatory or optional training programs for your Required Trainees or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend but we may charge you a reasonable fee for optional training programs. We may provide additional training in person or via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require your Required Trainees or employees to satisfactorily complete any additional training programs that we specify. We may require your Required Trainees to participate in refresher or advanced training in each year of the Term.

§5.4. Remedial Training. If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manual, we may, in addition to all of our other rights and remedies, assign trainers to the Business to retrain Business employees and restore service levels or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee (currently, five hundred dollars ($500) per day) for each trainer assigned to your Business and any remedial training. We may increase the amount to be charged for each trainer upon sixty (60) days' prior written notice.

§5.5. Training by You. You or your Principal Executive are responsible for training all of your other employees in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters or send one of our representatives to train them at your Business and pay us any related Training Fees.

§5.6. Requested Consulting Services. We may provide consulting services at your request subject to the availability of our personnel or the personnel of any Area Representative. We will give you information about new developments, techniques, and improvements in the areas of merchandising, advertising, management, operations, and Business design. We may provide consulting services through the distribution of written or recorded material; by digital platform; in meetings, seminars, teleconferences, webinars, or in person. If services are provided at the Site, you must pay us our then-current consulting fee as well as our costs and expenses of travel.

§5.7. Travel and Living Expenses. You are responsible for any travel and living expenses (including meals, transportation, and accommodations), wages, and other expenses incurred by your trainees. You are responsible for reimbursing us for any travel and living expenses incurred by our employees or agents related to providing any additional training, remedial training, or consulting services at your Business.

Article 6 Business Operation and System Standards

§6.1. Manual.

(a) Compliance with the Manual. We will furnish you with electronic access to our Manual, on loan for as long as this Agreement or a successor franchise agreement remains in effect. We reserve the right to furnish all or part of the Manual to you in electronic form and to establish terms of use for access to any restricted portion of our website. You must comply with and abide by each required System Standard contained in the Manual, as they may be amended, modified, or supplemented periodically and such other written or electronically transmitted System Standards that we may issue periodically. We will maintain the Manual and the System and brand Standards. You acknowledge that we may amend, modify, or supplement the Manual at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the

System. You must comply with revised mandatory System Standards within thirty (30) days after we transmit the updates, unless otherwise specified.

(b) Use of the Manual. You agree to keep your copy of the Manual current. If there is any dispute as to the current contents of the Manual, the terms of the master copy maintained at our headquarters will control. You acknowledge that we own the copyright in the Manual and that your copy of the Manual remains our property and will be returned to us immediately upon expiration or termination of this Agreement. You will treat the Manual, and the information contained therein, as confidential and will maintain the confidentiality of such information. You will not, without our prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Manual, in whole or in part, or otherwise make their contents available to any unauthorized person.

§6.2. Management and Personnel.

(a) Business Management. Unless otherwise specified in the Manual, at all times that your Business is open for business, it must be under the personal, on-premises supervision of either you, your Principal Executive, or a trained manager. You may not permit your Business to be operated, managed, directed, or controlled by any other person or entity without our prior written consent. If at any time during the Term no Owner, Principal Executive, or employee who has completed our Initial Training to our satisfaction is able to operate the Business, we may elect to do so on your behalf. You will pay us all costs and expenses we incur while operating your Business plus the Management Fee.

(b) Employment Decisions and Policies. You are solely responsible for all labor and employment-related matters and decisions related to your Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) your employees. You must ensure that your employees are qualified to perform their duties in accordance with our System Standards and successfully pass a background check. We do not require you to implement any employment-related policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Manual or otherwise for your optional use. You shall determine to what extent, if any, these policies and procedures may be applicable to your operations at the Business.

§6.3. Operation of the Business. You will not use the Site for any purpose other than the operation of the Business in compliance with the System and the Manual. You will not lease, sublease, or assign the Site Lease for all or any portion of the Site, without our prior written consent.

(a) Operating Hours. You must keep the Business open for business to the public at least during the hours we prescribe from time to time in the Manual or otherwise approve, unless prohibited by applicable law or by the Site Lease (if any) for the Business premises.

(b) Notice of Independent Contractor. During the Term, you agree to hold yourself out to the public as an independent contractor operating your Business under license from us, and you must display in a conspicuous location in or upon the Business, or in a manner that we specify, a sign containing the following notice or an alternative notice that we specify: "This business is owned and operated independently by [name of franchisee] who is an authorized, licensed user of the Ceiling Guru trademark, which is owned by Ceiling Guru Franchising, LLC." You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.

§6.4. Pricing. We may provide you with recommended or mandatory prices for products and services. Otherwise, you are solely responsible for determining the prices that you will charge your customers. You must provide us with your current price list upon our request.

§6.5. Products, Supplies, Operating Assets, and Services.

(a) Purchases. We have the right to require that products, supplies, equipment, goods, and services that you purchase for resale or purchase or lease for use in your Business ("Operating Assets"): (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates). To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manual.

(b) Products and Services You May Offer. You may offer in the Business only the products, services, and classes that we have approved in writing. In addition, you must offer the specific products, services, and classes that we require in the Manual or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products, services, or classes that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

(c) Revenue from Purchases. You acknowledge and agree that we and our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts, and other payments made to us by suppliers and distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. If you derive any revenue based on payments or promotional allowances received from suppliers or distributors, you must report to us the details of the arrangement and such revenue shall be included as part of your Gross Sales.

(d) Approval Process. If you would like to offer products, services, or use any Operating Assets or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. We may require the proposed supplier or service provider to visit our headquarters, currently in Sunny Isles Beach, Florida, to evaluate the proposed supplier or service provider in person. You agree to pay us a charge not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within ninety (90) days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Business may differ from those that we permit or require to be offered in other Businesses.

(e) Revocation of Approval. We reserve the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing or leasing the item or service or any items or services from the formerly-approved supplier or service provider and you must dispose of your remaining inventory of the formerly-approved items and services as we direct. If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to thirty (30) days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the thirty (30) day period, or such shorter period that we may designate, you must dispose of your remaining such inventory as we direct.

§6.6. Distribution. You may not make any sales of products or services outside of the Business, provide services outside of the Business, or use vendor relationships that you establish through your association with us or the Ceiling Guru brand for any other purpose besides the operation of the Business, unless we consent in writing. You agree to purchase products solely for resale to customers, and not for resale or redistribution to any other party, including other Ceiling Guru franchisees. You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing.

§6.7. Participation in System-wide Programs, Conferences, and Councils.

(a) Promotional Programs. You must participate in all in-Business promotional programs that we offer to franchisees. You will follow our guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manual or otherwise in writing. You will not allow use of gift certificates, gift cards, or coupons (including Groupons and similar discounts) unless approved or offered by us or our affiliates.

(b) Conferences. You, your Principal Executive, your trained managers, or any of your representatives that we designate must attend franchise conventions, meetings, product shows or demonstrations, and teleconferences that we or our Area Representative may require periodically in the Manual or otherwise in writing. We or our Area Representative, in our or their sole discretion, will designate the time and place of any meetings, which may be held in-person or remotely via teleconference or web seminar. In each year, you and your employees shall not be required to attend in person more than three days of franchisee conventions and meetings that we organize, which shall count towards the five days of additional training programs that we may require your Required Trainees to attend annually. We or your Area Representative will be responsible for arranging meetings and providing meeting materials. You are responsible for arranging and paying for travel and living expenses that you and/or your representatives incur. We or our Area Representative may require you to pay us or our Area Representative a reasonable registration fee for you and each of your representatives. If you or any of your representatives fail to attend any events that we require you and/or they to attend, regardless of the reason for the absence, you must pay us the registration fee that each absent required attendee would have incurred plus five hundred dollars ($500) for each absent required attendee, unless we have previously excused them in writing in our sole discretion.

(c) Franchisee Advisory Council. We may establish an advisory council of franchisees ("Franchisee Advisory Council") using a form and process set forth in the Manual to advise us on various issues and strategies. The Franchisee Advisory Council will have an advisory role, but no operational or decision-making power. We may change the structure and process of the Franchisee Advisory Council or dissolve the Franchisee Advisory Council at any time. If we establish a Franchisee Advisory Council, you must participate in all council-related activities and meetings and must pay any dues related to the administration of the Franchisee Advisory Council.

§6.8. Business Management and Technology System.

(a) Acquisition and Updates. You must obtain, maintain, and use the hardware, software, other equipment, and network connections that we specify periodically in the Manual necessary to operate our point-of-sale system, our billing system, and other technology systems that we designate (collectively, the "Business Management and Technology System"). You must use the Business Management and Technology System to (i) enter and track purchase orders and receipts, attendance, and customer information, (ii) update inventory, (iii) enter and manage your customers' contact information, (iv) generate sales reports and analysis relating to the Business, and (iv) provide other services relating to the operation of the Business. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require. You must replace, upgrade, or update at your expense the Business Management and Technology System as we may require periodically without limitation. We will establish reasonable deadlines for implementation of any changes to our Business Management and Technology System requirements.

(b) Use of the Business Management and Technology System. You agree: (i) that your Business Management and Technology System will be dedicated to uses relating to the operation of the Business; (ii) to use the Business Management and Technology System in accordance with our policies and operational procedures; (iii) to transmit financial and operating data to us as required by the Manual; (iv) to do all things necessary to give us unrestricted access to the Business Management and Technology System at all times (including users IDs and passwords, if necessary) so that we may independently download and transfer data via a modem or other connection that we specify; (v) to maintain the Business Management and Technology System in good working order at your own expense; (vi) to ensure that your employees are adequately trained in the use of the Business Management and Technology System and our related policies and procedures; and (vii) not to load or permit any unauthorized programs or games on any hardware included in the Business Management and Technology System. You also must comply with all laws and payment card provider standards relating to the security of the Business Management and Technology System, including, without limitation, the Payment Card Industry Data Security Standards. You are responsible for any and all consequences that may arise if the system is not properly operated, maintained and upgraded or if the Business Management and Technology System (or any of its components) fails to operate on a continuous basis or as we or you expect.

§6.9. Compliance with Laws and Good Business Practices. You must comply with all applicable laws. You will obtain and maintain in good standing any and all licenses, permits, and consents necessary for you to lawfully operate the Business. You have sole responsibility for such compliance despite any information or advice that we or our Area Representatives may provide. In all dealings with customers, prospective customers, suppliers, us, and the public, you must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other Businesses.

§6.10. Notice of Proceedings. You will notify us in writing within five (5) days after the commencement of any action, suit, or proceeding, or of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality in connection with the operation or financial condition of the Business, including without limitation any criminal action or proceeding brought by you against any employee, customer, or other person, but excluding civil proceedings against customers to collect monies owed.

§6.11. Insurance. During the Term, you must maintain in force at your sole expense insurance coverage for the Business in the amounts, covering the risks, and containing only the exceptions and exclusions that we periodically specify in the Manual for all similarly situated Businesses. All of your insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an "occurrence" basis, except for the employment practices liability insurance coverage, which is on a "claims made" basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. All general liability and workers' compensation coverage must provide for waiver of subrogation in favor of us and our affiliates. We may, upon at least sixty (60) days' notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us, our Area Representative, and any affiliates we designate as an additional insured and provide for thirty (30) days' prior written notice to us of a policy's material modification or cancellation. You agree periodically to send us a valid certificate of insurance or duplicate insurance policy evidencing that you have maintained the required coverage and paid the applicable premiums. If you fail to obtain or maintain (or to prove that you have obtained or maintained) the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance and pay us a reasonable fee for such service.

§6.12. Taxes. You will pay when due all taxes, assessments, and governmental charges upon or against you or your real or personal properties, income, and revenue; provided that no such tax, assessment, or governmental charge need be paid so long as the validity, applicability, or amount thereof is being contested in good faith by appropriate proceedings and appropriate reserves are maintained to pay the disputed amount, if necessary.

Article 7 Marketing

§7.1. Our Advertising Materials. We may periodically formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available for purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared. We or our affiliates will retain all copyrights relating to such advertising materials.

§7.2. Brand Fund. If we establish and administer a brand awareness program (the "Program," or "Brand Fund") for national, regional, and local advertising, public relations and marketing programs and market research ("Brand Awareness"). We will direct and have sole and absolute discretion over the Brand Awareness and the Program and its expenditures, including concepts, materials and media used therein. All Brand Fund Contributions will be part of the Program. Neither you nor any of our other franchisees will be deemed a third-party beneficiary with respect to the Program or have any right to enforce any obligation to contribute thereto. Franchisee understands and acknowledges that Company-Owned Outlets may not be required to contribute to the Program. Franchisee understands and acknowledges that the Program is intended to benefit the System as a whole and that Franchisor and its designee undertake no obligation in administering the Program to ensure that any particular franchisee benefits directly or pro rata from the Brand Awareness. If this Agreement is terminated or expires, you will not be entitled to a refund of any Brand Fund Contributions paid. We may, in our sole discretion, advance monies to the Program and charge the Program interest on such advances and may authorize repayment of such advances from the Program, all in accordance with such terms as we deem necessary or appropriate. You agree that the Program may otherwise be used to meet any and all costs incident to such Brand Awareness, including joint or collective advertising and brand awareness campaigns of our direct or indirect parent corporations or subsidiaries thereof or affiliated companies using the System. We also have the right to expend all, or any portion of, the monies in the Program for cooperative advertising, brand awareness or promotional programs on a regional or local basis; provided, however, that such programs will be available to all similarly situated franchisees as determined by us. We reserve the right to terminate the Program at any time. If we terminate the Program, we will use all remaining Program assets for Brand Awareness-related costs. You must pay the Brand Fund Contribution each month. Beginning in the fourth month after you open for Business, you must pay the minimum Brand Fund Contribution. We may change the amounts of the minimum and total Contribution on sixty (60) days' prior written notice to you.

§7.3. Handling of Contributions. All payments to the Program may be deposited in our general operating account; may be segregated on a solely administrative basis while being commingled with our funds; and may be deemed our asset, subject to our obligation to use the funds in the Program and in accordance with the terms of this Agreement. We will furnish you with Program financial statements certified to be correct by one of our officers annually on request within one hundred twenty (120) days of the end of the fiscal year. We may, in our sole discretion, elect to accumulate monies in the Program for such periods of time as we deem necessary or appropriate, with no obligation to expend monies received in any fiscal year during such fiscal year. We intend and you acknowledge that the Program is not a trust.

§7.4. Local Marketing.

(a) Monthly Expenditure. You must spend a minimum of five percent (5%) of your Gross Sales per month on local advertising ("Local Advertising Expenditure") consistent with the advertising policies set forth in the System Standards. We may, in our sole discretion, require you to pay the Local Advertising Expenditure to us or otherwise direct its use.

(b) Approval of Advertising Materials. You must obtain our advance written approval prior to using or producing any advertising or marketing materials using any of the Marks, in whole or in part. You agree to conduct all advertising in a dignified manner and to conform to the standards and requirements we specify in the Manual. We will have the final decision on all creative development of advertising and promotional messages. If our written approval is not received within fourteen (14) days of the date we received the material, the material is deemed disapproved. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

§7.5. Advertising Cooperatives. You agree to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or approve for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Businesses ("Advertising Cooperatives") and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which we have the right to mandate or approve. If you join an Advertising Cooperative, the Advertising Cooperative may require you to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to your Brand Fund Contribution. Amounts you contribute to any Advertising Cooperative will be credited against your Local Advertising Expenditure. We shall have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the manner specified in this Agreement or the System Standards.

§7.6. Digital Marketing.

(a) Restrictions. We or our affiliates may, in our sole discretion, may establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "Digital Marketing") that are intended to promote the Marks, your Business, and the entire network of Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Business. Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Business or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct any Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

(b) System Website. As part of our Digital Marketing, we or one of our designees will operate and maintain a System Website, which may include basic information related to each Business and the ability for customers to purchase services from your Business. You must promptly provide us with any information that we request regarding your Business for inclusion on the System Website.

Article 8 Records, Reports, Audits, and Inspections

§8.1. Bookkeeping and Records. You agree to keep complete and accurate books, records, and accounts of all business conducted under this Agreement in accordance with generally accepted accounting principles. You must preserve all of your books and records in hard copy or in a format from which hard copies can be readily generated for at least five (5) years from the date of preparation or such longer period as may be required by law. You must maintain such information and records on the Business Management and Technology System as we may require from time to time in the Manual and you acknowledge and agree that we will have access to that data remotely via a network connection that we will specify. At our request, you must retain and use, at your expense, the services of an accountant or accounting firm that we approve.

§8.2. Reports and Financial Statements. You agree to submit financial and operational reports and records to us at the times and in the manner specified in the Manual. Upon our written request, by April 15 of each year, you must submit your balance sheet and income statement for the previous calendar year. With respect to your year-end income statement and balance sheet, you or the Principal Executive must certify that the income statement and balance sheet are correct and complete and that they have been prepared in accordance with generally accepted accounting principles. We have the right to demand audited financial statements if an Event of Default has occurred within the last calendar year. In addition, you must provide us within fifteen (15) days after our request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports, and other information that we periodically require relating to the Business or you.

§8.3. Additional Information. You shall respond promptly to requests from us for clarification and/or additional information regarding any matter entrusted to you under this Agreement. We may from time to time require information about your financial condition, earnings, sales, profits, costs, expenses, and performance to provide a basis for providing our prospective franchisees with information concerning actual or potential earnings or to comply with applicable law. You will provide such information promptly on our request, and will certify that such information is true and complete in all material respects.

§8.4. Inspection. We have the right, through our employees, an Area Representative, and any agents we designate, at any time during business hours and without prior notice to you to: (i) inspect the Site and Business for compliance with the Manual, (ii) videotape, photograph or otherwise record the operation of the Business, (iii) interview your employees, landlord, and customers, (iv) examine the records, invoices, payroll records, check stubs, sales tax records and returns, and other supporting records and documents of the Business, and (v) examine your income tax records and any other information, records or properties relating to the ownership, management, or operation of the Business. We may require you to install and maintain, at your expense, a video surveillance system that we designate which we may access remotely through a connection that we specify to ensure compliance with our standards and the Manual. Our right to inspect your business records includes records maintained electronically or off-site. You must cooperate with such inspections by giving our representatives unrestricted access and rendering such assistance as our representatives may reasonably request. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, not to exceed thirty (30) days, we have the right to correct such deficiencies and charge you a reasonable fee plus our costs and expenses incurred in such inspection. Any inspections will be made at our expense, unless the inspection is necessitated by your repeated or continuing failure to comply with any provision of this Agreement, in which case we may charge you the costs of making such inspection, including without limitation the wages and cost of travel and living expenses for our representatives.

§8.5. Auditing. Without limiting the foregoing, we may audit or cause to be audited any statement you are required to submit to us, and we may review, or cause to be reviewed, the records maintained by any bank or other financial institution used by you in connection with the Business. If any such audit or review discloses an understatement of the Gross Sales for any period or periods, you will pay to us, within ten (10) days after demand for payment is made, all additional Royalty Fees, Marketing Fees, or other amounts required to be paid based upon the results of such audit or review. In addition, if such understatement for any period or periods is two percent (2%) or more of the Gross Sales for such period or periods, you will reimburse us for the cost of such audit or review, including without limitation the charges of any independent accountant and any related attorneys' fees and the cost of travel and living expenses and wages for such accountants, employees, or other agents. You will pay to us, on demand, interest at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law, whichever is less, interest calculated from the date when the fees should have been paid to the date of actual payment. These remedies are in addition to and cumulative with our other remedies and rights under this Agreement and at law or equity.

Article 9 Intellectual Property

§9.1. Marks and Trade Dress.

(a) Acknowledgements. You acknowledge that we or our affiliates are the owner of the Marks and the Trade Dress, that you have no interest in the Marks and the Trade Dress beyond the nonexclusive License granted herein, and that, as between we and you, we have the exclusive right and interest in and to the Marks and the Trade Dress and the goodwill associated with and symbolized by them. Upon the expiration or termination of this Agreement, no monetary amount will be attributable to goodwill associated with your activities as a franchisee under this Agreement.

(b) Rights. Your right to use the Marks and the Trade Dress applies only to the Business operated at the Site as expressly provided in this Agreement, including advertising related to the Business. You may only use in your Business the Marks and the Trade Dress we designate, and only in compliance with written rules that we prescribe from time to time. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. You may not use any material bearing the Marks or the Trade Dress without our prior written approval, which may be revoked at any time on reasonable notice to you. You must display the Marks in a manner that we specify on signage at the Business and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate.

§9.2. Copyrights. You acknowledge that as between you and us, any and all present or future copyrights relating to the System or the Ceiling Guru concept, including, but not limited to, the Manual and marketing materials, (collectively, the "Copyrights") belong solely and exclusively to us. You have no interest in the Copyrights beyond the non-exclusive License granted in this Agreement.

§9.3. No Contesting Our Rights. During and after the Term, you agree not to directly or indirectly contest our ownership, title, right or interest in or to, or our license to use, or the validity of, (i) the Marks, (ii) the Trade Dress, (iii) the Copyrights, or (iv) any trade secrets, methods, or procedures that are part of the System (collectively, the "Intellectual Property"), or contest our sole right to register, use, or license others to use the Intellectual Property.

§9.4. Changes to the Intellectual Property. We have the right, on reasonable notice, to change, discontinue, or substitute for any of the Intellectual Property and to adopt entirely different or new Intellectual Property for use with the System without any liability to you, in our sole discretion. You agree to implement any such change at your own expense within the time we reasonably specify.

§9.5. Third-Party Challenges. You agree to notify us promptly of any unauthorized use of the Intellectual Property of which you have knowledge. You also agree to inform us promptly of any challenge by any person or Entity to the validity of our ownership of or our right to license others to use any of the Intellectual

Property. We have the right, but no obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Intellectual Property, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered, or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Intellectual Property.

§9.6. Post-Termination or Expiration. Your License to use the Marks will terminate and any right you have to use the Intellectual Property will revert to us without cost and without the execution or delivery of any document on expiration or termination of this Agreement. You will execute all documents that we require to confirm such reversion on our request.

§9.7. Innovations. All ideas, concepts, techniques, or materials relating to a Business or the System (collectively, "Innovations"), whether or not protectable intellectual property and whether created by or for you or your Owners, employees, or contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and the Intellectual Property, and works made-for-hire for us. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Article you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your Owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating the Business or otherwise without our prior approval.

Article 10 Proprietary Information

§10.1. Receipt of Proprietary Information. You acknowledge that prior to and during the Term, we may disclose to you, orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Business (collectively, "Proprietary Information"), including (i) site selection criteria and methodologies; (ii) methods, formats, systems, System Standards, sales and marketing techniques, knowledge and experience used in developing and operating Businesses, including information in the Manual; (iii) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Businesses; (iv) knowledge of specifications for and suppliers of, and methods of ordering, certain items that Businesses use and/or sell; (v) knowledge of the operating results and financial performance of other Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; and (vii) any other information we reasonably designate from time to time as confidential or proprietary. "Proprietary Information" does not include (i) information that is part of the public domain or becomes part of the public domain other than by the wrongful conduct of you or a third party, (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such information, or (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when the parties began discussing the sale of the franchise.

§10.2. Nondisclosure of Proprietary Information. We and our affiliates own all right, title, and interest in and to the Proprietary Information. You will not, nor will you permit any person to, use or disclose any Proprietary Information (including without limitation all or any portion of the Manual) to any other person, except to the extent necessary for your professional advisors and your employees to perform their functions in the operation of the Business. You acknowledge that your use of the Proprietary Information in any other business would constitute an unfair method of competition with us and our franchisees. You will be liable to us for any unauthorized use or disclosure of Proprietary Information by any employee or other person to whom you disclose Propriety Information. You will take reasonable precautions to protect the Proprietary Information from unauthorized use or disclosure and will implement any systems, procedures, or training programs that we require. At our request, you will require anyone who may have access to the Proprietary

Information to execute non-disclosure agreements in a form satisfactory to us that identifies us as a third-party beneficiary of such covenants with the independent right to enforce the agreement.

§10.3. Customer Information.

(a) Protection of Customer Information. You must comply with our System Standards, other directions from us, and all applicable laws regarding the organizational, physical, administrative, and technical measures and security procedures to safeguard the confidentiality and security of Customer Information on your Business Management and Technology System or otherwise in your possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Information. "Customer Information" means names, contact information, financial information, and other personal information of or relating to the Business's customers and prospective customers. If there is a suspected or actual breach of security or unauthorized access involving your Customer Information, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Information was compromised or disclosed. You are responsible for any financial losses you incur or remedial actions that you must take as a result of a breach of security or unauthorized access to Customer Information in your control or possession.

(b) Use of Customer Information. You have the right to use Customer Information while this Agreement or a successor franchise agreement is in effect, but only to market Ceiling Guru products and services to customers in accordance with the policies that we establish periodically and applicable law. You may not sell, transfer, or use Customer Information for any purpose other than marketing Ceiling Guru products and services.

Article 11 Indemnification

§11.1. Indemnification By You. You agree to indemnify, defend (at our election), and hold us, our Area Representative, and our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors, and assignees (the "Indemnified Parties") harmless from and against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (i) the Business's operation; (ii) the business you conduct under this Agreement; (iii) your performance or breach of this Agreement; or (iv) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Business's construction, design or operation, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. "Losses" means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable costs or expenses that an Indemnified Party incurs, including accountants', arbitrators', mediators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

§11.2. Indemnification Procedure. You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described above (collectively, "Proceedings"), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct or wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Article (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Article. Your obligations in this Article will survive the expiration or termination of this Agreement.

§11.3. Willful Misconduct or Gross Negligence. Notwithstanding anything herein to the contrary, you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding hereunder) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or our failure to compel you to comply with this Agreement. However, nothing in this Article limits your obligation to defend us and the other Indemnified Parties.

Article 12 Covenant Not to Compete

§12.1. During Term. You acknowledge that you will receive valuable, specialized training and confidential information regarding the operational, sales, promotional, and marketing methods of the Ceiling Guru concept. During the Term, you and your Owners will not, without our prior written consent, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or Entity:

(a) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any business that offers stretch ceiling installations, or other services of the kind offered by the Business or the Ceiling Guru system, or (ii) any entity that grants franchises or licenses for any of these types of businesses (collectively, each, a "Competitive Business") at any location in the United States;

(b) divert or attempt to divert any business or customer or potential business or customer of the Business to any Competitive Business, by direct or indirect inducement or otherwise;

(c) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(d) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the Business; or

(e) directly or indirectly solicit for employment any person who at any time within the immediate past twelve (12) months has been employed by us, or our affiliates, or by any of our franchisees.

§12.2. After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved Transfer to a new franchisee, you and your Owners may not, without our prior written consent, (i) directly or indirectly own, manage, engage in, be employed in a managerial position by, advise, make loans to, or have any other interest in any Competitive Business that is (or is intended to be) located within a twenty-five-mile (25-mile) radius of your former Business or any other Business that is operating or under development at the time of such expiration, termination, or Transfer, or (ii) solicit for employment any person who at any time within the immediate past twelve (12) months has been employed by us, or our affiliates, or by any of our franchisees. With respect to the Owners, the time period in this Article will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first.

§12.3. Publicly Traded Corporations. Ownership of less than five percent (5%) of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Article.

§12.4. Covenants of Owners and Employees. The Owners personally bind themselves to this Article by signing this Agreement or the attached Guarantee. We may, in our sole discretion, require you to obtain from your officers, directors, managers, Owners' spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants similar in substance to those contained in this Article as we prescribe in the Manual and otherwise. The agreements must be in a form acceptable to us and grant us an independent right to enforce their terms.

§12.5. Enforcement of Covenants. You acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Article are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Article is determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible provided such determination is made by a court of competent jurisdiction in a final, unappealable ruling. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Article. You acknowledge that any breach or threatened breach of this Article will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Article. Such injunctive relief will be in addition to and cumulative with any other remedies that we may have.

Article 13 Transfer and Assignment

§13.1. Transfer by Us. We may assign this Agreement and all of our rights, duties, and obligations under this Agreement to any person or Entity that we choose in our sole discretion. Upon any such assignment, we will be released from all of our duties and obligations hereunder, and you will look solely to our assignee for the performance of such duties and obligations.

§13.2. Definition of Transfer. For purposes of this Agreement, "Transfer" as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the Business, substantially all the assets of the Business, or in the ownership of the franchisee (if you are an Entity). "Transfer" as a noun means any such sale, assignment, gift, transfer, pledge, mortgage, or encumbrance. A "Control Transfer" means any Transfer of (i) this Agreement or any interest in this Agreement; (ii) the Business or all or substantially all of the Business's assets; or (iii) any Controlling Ownership Interest (defined below) in you (if you are an Entity), whether directly or indirectly through a transfer of legal or beneficial ownership interests in any Owner that is an Entity, and whether in one transaction or a series of related transactions, regardless of the time period over which these transactions take place. References to a "Controlling Ownership Interest" in you mean either (i) twenty percent (20%) or more of your direct or indirect legal or beneficial ownership interests in your Entity or (ii) an interest the acquisition of which grants the power (whether directly or indirectly) to direct or cause the direction of management and polices of you or the Business to any individual or Entity, or group of individuals or Entities, that did not have that power before that acquisition.

§13.3. No Transfer Without Our Consent. This Agreement and the License are personal to you, and we have granted the License in reliance on your (and, if you are an Entity, your Owners') business skill, financial capacity, and personal character. Accordingly, neither you nor any of the Owners or any successors to any part of your interest in this Agreement or the License may make any Transfer or permit any Transfer to occur without obtaining our prior written consent, except as provided in this Agreement. If you or any of your Owners desire to make a Transfer, you must promptly provide us with written notice. Any purported Transfer without our prior written consent will be void and will constitute an Event of Default (as herein defined), for which we may terminate this Agreement without opportunity to cure. We have sole and absolute discretion to withhold our consent, except as otherwise provided in this Agreement. We have the right to communicate with both you, your counsel, and the proposed transferee on any aspect of a proposed Transfer. You agree to provide any information and documentation relating to the proposed Transfer that we reasonably require. No Transfer that requires our consent may be completed until at least sixty (60) days after we receive written notice of the proposed Transfer. Our consent to a Transfer does not constitute a waiver of any claims that we have against the transferor, nor is it a waiver of our right to demand exact compliance with the terms of this Agreement. If your Business is not open and operating, we will not consent to your Transfer of this Agreement, and we are under no obligation to do so.

§13.4. Control Transfer. The conditions of this Article will apply to any proposed Control Transfer.

(a) When you provide written notice of the proposed Transfer, you must pay to us a non-refundable deposit of two thousand five hundred dollars ($2,500) to cover our administrative costs incurred in reviewing the proposal. The deposit will be applied towards your Transfer Fee in the event that the Transfer is completed.

(b) You or your transferee must pay to us the Transfer Fee. You must make such payment by wire transfer from the proceeds of the sale at the closing if we so request.

(c) You must satisfy all of your accrued monetary obligations to us and must be in compliance with all obligations to us under this Agreement and any other agreement that you have with us and our affiliates as of the date of the request for our approval of the Transfer or you must make arrangements satisfactorily to us to come into compliance by the date of the Transfer.

(d) You and your Owners must execute a general release, in a form that we prescribe, in favor of us, our Area Representatives, our affiliates, and our and their affiliates' past, present, and future officers, directors, mangers, members, equity holders, agents, and employees, releasing them from all claims, including claims arising under federal, state, and local laws, rules, and regulations.

(e) You and your Owners must agree to remain liable for all of the obligations to us in connection with the Business arising before the effective date of the Transfer and execute any and all instruments that we reasonably request to evidence such liability.

(f) You and your Owners must continue to be bound by the provisions of those Articles of this Agreement which, by their terms or nature, would survive the expiration or termination of this Agreement if either occurred on the date of the Transfer.

(g) You must provide us with written notice from your landlord indicating that your landlord has agreed to transfer the Site Lease to your transferee.

(h) Your proposed transferee (or, if the transferee is not an individual, all owners of any legal or beneficial interest in the transferee) must demonstrate to our satisfaction that he or she meets all of our then-current qualifications to become a Ceiling Guru franchisee, including not having any involvement with a Competing Business, or if he or she is already a Ceiling Guru franchisee, he or she must not be in default under any of their agreements with us and must have a good record of customer service and compliance with our System Standards.

(i) Your proposed transferee and their representatives must successfully complete our then-current training requirements at their expense.

(j) Your proposed transferee (and any owner of a beneficial or legal interest therein) must (i) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge and guarantee all of your obligations under this Agreement and (ii) must execute our then-current form of personal guarantee.

(k) Your proposed transferee (and any owner of a beneficial or legal interest therein) must execute, for a term ending on the last day of the Term and with such Successor Term as is provided by this Agreement, our then-current franchise agreement for new franchisees and such other agreements as we may require, which agreements will supersede this Agreement in all respects. The terms of the new franchise agreement may differ significantly from the terms of this Agreement. The prospective transferee will not be required to pay any initial Franchise Fee.

(l) Your proposed transferee must make arrangements to modernize, renovate, or upgrade the Business to conform to our then-current System Standards for new Ceiling Guru Businesses at transferee's own expense.

(m) Your proposed transferee must covenant that it will continue to operate the Business under the Marks and using the System.

(n) We must determine, in our sole discretion, that the purchase price and payment terms will not adversely affect the operation of the Business, and if you or your Owners finance any part of the purchase price, you and they must agree that all obligations under promissory notes, agreements, or security interests reserved in the Business are subordinate to the transferee's obligation to pay all amounts due to us and our affiliates and otherwise to comply with this Agreement.

§13.5. Non-Control Transfers. For any Transfer that does not result in a Control Transfer, you must give us advance notice and submit a copy of all proposed contracts and other information concerning the Transfer and transferee that we may request. We will have the right to require you to pay a Transfer Fee. We will have a reasonable time (not less than thirty (30) days) after we have received all requested information to evaluate the proposed Transfer. You and your transferee must satisfy the conditions we specify in this Agreement or elsewhere. You and your Owners must sign the form of agreement and related documents that we specify to reflect your new ownership structure. We may withhold our consent on any reasonable grounds or make our consent subject to your satisfaction of reasonable conditions.

§13.6. Transfer To an Entity. We will consent to the assignment of this Agreement to an Entity that you form for the convenience of ownership, provided that: (i) the Entity has and will have no other business besides operating Ceiling Guru Businesses; (ii) you satisfy the conditions in this Article we specify; (iii) the Owners hold equity interests in the new Entity in the same proportion shown on Attachment A; and (iv) you pay the Transfer Fee.

§13.7. Permitted Transfers. The other provisions in this Article do not apply, including our right of first refusal and right of approval, to the following Transfers:

(a) Security Interests. You may grant a security interest in the Site (if you own the Site), the Business, any Operating Assets, this Agreement, or any direct or indirect legal or beneficial interest in you to a financial institution or other party that provided or provides any financing for your acquisition, development, or operation of the Business, but only if that party signs our then current form of lender consent to protect our rights under this Agreement. Any foreclosures or other exercise of the rights granted under that security interest are subject to all applicable terms and conditions of this Article.

(b) Transfer to a Trust. Any Owner who is an individual may Transfer his or her ownership interest in you (or any of your Owners that is an Entity) to a trust that he or she establishes for estate planning purposes, as long as he or she is a trustee of the trust and otherwise controls the exercise of the rights in you (or your Owner) held by the trust and you notify us in writing of the Transfer at least ten (10) days before its anticipated effective date. Dissolution of or transfers from any trust described in this paragraph are subject to all applicable terms and conditions of this Article.

§13.8. Death or Incapacity. If you or any Owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing for consent to Transfer the person's interest no more than three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition). The Transfer will be subject to the provisions of this Article, as applicable, except there shall be no Transfer Fee due. In addition, if the deceased or incapacitated person is you or the Principal Executive, we will have the right (but not the obligation) to take over operation of the Business until the Transfer is completed and to charge a reasonable management fee for our services. For purposes of this Article, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of thirty (30) or more consecutive days or (ii) for sixty (60) or more total days during a calendar year. In the case of Transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of this Article, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for Transfers contained in this Agreement. If an interest is not disposed of under this paragraph within one hundred twenty (120) days after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement.

§13.9. Right of First Refusal.

(a) Our Right. We have the right, exercisable within thirty (30) days of receiving notice of your intent to Transfer and such documentation and information that we require, to send written notice to you that we intend to purchase the interest proposed to be Transferred on the same economic terms and conditions offered by the third party or, at our option, the cash equivalent thereof. If you and we cannot agree on the reasonable equivalent in cash or if the Transfer is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser or may elect at that time to not exercise our rights. We must receive, and you and your Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Business or your business prior to the closing of our purchase. Closing on our purchase must occur within ninety (90) days of the date of our notice to the seller electing to purchase the interest. We may assign our right of first refusal to another Entity or person either before or after we exercise it. However, our right of first refusal will not apply to Permitted Transfers, transfers on death or incapacity, or transfers to your spouse or child.

(b) Declining Our Right. If we elect not to exercise our rights under this Article, the transferor may complete the Transfer after complying with the applicable provisions in this Agreement. The Transfer must close within ninety (90) days of our election (or such longer period as applicable law requires); otherwise, the third-party's offer will be treated as a new offer subject to our right of first refusal. Any material change in the terms of the offer from a third party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the party's initial offer. The Transfer is conditional on our determination that the Transfer was on terms substantially the same as those offered to us.

§13.10. Commissions and Fees. You agree to pay us all brokerage commissions, finder's fees, and similar charges we incur in connection with the transfer of your franchise.

Article 14 Termination and Default

§14.1. Events of Default. The occurrence of any of the events in this Article will constitute an "Event of Default" under this Agreement.

(a) Curable Defaults:

(i) You fail to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which we give notice of such delinquency, (b) immediately on written notice if a payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately on written notice if you are determined to have under-reported your Gross Sales during any month by two (2%) percent or more of the actual Gross Sales during such month on two (2) or more occasions during the Term of this Agreement, whether or not you subsequently rectify the deficiency.

(ii) You fail, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority, to comply with any law or regulation applicable to the operation of the Business.

(iii) You fail to perform or breach any covenant, obligation, term, condition, warranty, or certification herein or fail to operate the Business as specified in the Manual, fail to pay promptly any undisputed invoices from us, our affiliates, or your suppliers, and fail to cure such non-compliance or deficiency within thirty (30) days (or such longer term as granted by us) after your receipt of written notice.

(iv) You fail to achieve the Minimum Performance Requirements set forth in this Agreement or as amended by the Manual or another writing in accordance with this Agreement.

(v) You abandon or cease to operate all or any part of the Business conducted under this Agreement for seventy-two (72) hours or longer or default under any mortgage, deed of trust or lease with us or any third party covering the Business or the Site, fail to cure such abandonment or default and we or such third party treat such act or omission as a default, and you fail to cure the default to the satisfaction of us or such third party within any applicable cure period granted you by us or such third party.

(b) Non-Curable Defaults

(i) You become insolvent or make a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if you file a petition in bankruptcy or one is filed against and consented to by you or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed.

(ii) A final judgment in excess of five thousand dollars ($5,000) against you relating to the Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction).

(iii) You fail to commence operation of the Business as required by this Agreement.

(iv) You make, or have made, any materially false statement or report in connection with this Agreement or application therefore.

(v) Any transfer and assignment provision contained in Article 13 of this Agreement is violated.

(vi) You receive from three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period.

(vii) You or your Principal Executive fail to complete to Franchisor's reasonable satisfaction any of our required Initial Training.

(viii) You or any of your Owners violate any covenant of confidentiality or non-disclosure contained in this Agreement or otherwise disclose, use, permit the use of, copy, duplicate, record, transmit or otherwise reproduce any manual, material, good, or information created or used by us and designated for confidential use in the System.

(ix) You or any person controlling, controlled by or under common control with you, or any principal officer or employee of you or any such person, owning an interest in the Business is convicted of a felony, or any other crime or offense that is reasonably likely, in our sole subjective opinion, to affect adversely the System, the Marks, or the goodwill associated therewith.

(x) You or any guarantor(s) default on any other agreement with us or any of our affiliates, and such default is not cured in accordance with the terms of such other agreement.

(xi) You fail to perform or breach any covenant, obligation, term, condition, warranty, or certification in this Agreement related to the Marks, including misuse of the Marks.

§14.2. Our Remedies on Default.

(a) Right to Terminate. If an Event of Default occurs, we may, at our sole election and without notice or demand of any kind, terminate this Agreement and any and all other rights granted under it with immediate effect. You will not be relieved of any of your obligations, debts, or liabilities under this Agreement by such termination.

(b) Other Remedies. If an Event of Default occurs, we may, at our sole election and on delivery of written notice to you, take any or all of the following actions without terminating this Agreement:

(i) temporarily or permanently reduce the size of the Territory, in which event any restrictions on us and our affiliates will not apply in the geographic area that was removed from the Territory;

(ii) temporarily remove information concerning the Business from the System Website or stop your or the Business's participation in any other programs or benefits offered on or through the System Website;

(iii) suspend your right to participate in one or more programs or benefits that the Brand Fund provides;

(iv) suspend any other services that we or our affiliate provides to you under this Agreement or any other agreement, including any services relating to the Business Management and Technology System;

(v) suspend or terminate any temporary or permanent fee reductions to which we might have agreed whether as a policy, in an amendment to this Agreement, or otherwise;

(vi) suspend our performance of, or compliance with, any of our obligations to you under this Agreement or other agreements;

(vii) undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under this Agreement. You will reimburse us on demand for all costs and expenses that we reasonably incur in performing any such obligation or duty; or

(viii) enter the Business's premises and assume the management of the Business ourselves or appoint a third party (who may be our affiliate) to manage the Business. All funds from the operation of the Business while we or our appointee assumes its management will be kept in a separate account, and all of the expenses of the Business will be charged to that account. We or our appointee may charge you (in addition to the amounts due under this Agreement) a management fee equal to five percent (5%) of the Business's Gross Revenue during the period of management ("Management Fee"), plus any direct out-of-pocket costs and expenses. We or our appointee has a duty to utilize only reasonable efforts and will not be liable to you for any debts, losses, or obligations the Business incurs, or to any of your creditors for any products or services the Business purchases, while managing it. You shall not take or fail to take any action the commission or non-commission of which would interfere with our or our appointee's exclusive right to manage the Business and may, in our sole discretion, be prohibited from visiting the Business so as to not interfere with its operations. Our (or our appointee's) management of the Business will continue for intervals lasting up to ninety (90) days each (and, in any event, for no more than a total of one year), and we will during each interval periodically evaluate whether you are capable of resuming operation of the Business and periodically discuss the Business's status with you.

(c) Exercise of Other Remedies. Our exercise of our rights to assume management of your Business or appoint an agent to do the same will not (i) be a defense for you to our enforcement of any other provision of this Agreement or waive or release you from any of your other obligations under this Agreement, (ii) constitute an actual or constructive termination of this Agreement, or (iii) be our sole or exclusive remedy for your default. You must continue to pay all fees and otherwise comply with all of your obligations under this Agreement following our exercise of any of these rights. If we exercise any such right, we may thereafter terminate this Agreement without providing you any additional corrective or cure period.

§14.3. Termination By You. You may terminate this Agreement only if: (i) we commit a material breach of this Agreement; (ii) you give us written notice of the breach; (iii) we fail to cure the breach, or to take reasonable steps to begin curing the breach, within sixty (60) days after receipt of your notice; and (iv) you are in full compliance with your obligations under this Agreement. If we cannot reasonably correct the breach within this sixty (60) day period but provide you with reasonable evidence of our effort to correct the breach within a reasonable time period, then the cure period shall be the amount of time reasonably required to effect a cure. Termination will be effective no less than ten days after you deliver to us written notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this paragraph (including by taking steps to de-identify the Business or otherwise cease operations under this Agreement) will constitute an Event of Default by you.

Article 15 Your Obligations Upon Expiration or Termination

§15.1. Covenant. In addition to any other provision of this Agreement which by its terms or nature is intended to survive the expiration or termination of this Agreement, you agree to comply with the terms of this Article on expiration or termination of the Agreement for any reason.

§15.2. Payment of Costs and Amounts Due. You will pay all sums owed to us and our affiliates. If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of your default. These payment obligations will give rise to and remain, until paid in full, a lien in favor of us against the Business premises and any and all of the personal property, fixtures, equipment, and inventory that you own at the time of the occurrence of the Event of Default separate and additional to any other lien or interest we may have under this Agreement. We are hereby authorized at any time after the Effective Date to make any filings and to execute such documents on your behalf reasonably related to perfecting the lien created hereby. You also will pay to us all damages, costs, and expenses, including reasonable attorneys' fees, that we incur after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Agreement.

§15.3. Discontinue Use of the System and the Intellectual Property. You must immediately cease using, in advertising or in any other manner, (i) the Intellectual Property (including, without limitation, the Marks and the Trade Dress), (ii) the System and all other elements associated with the System, and (iii) any colorable imitation of any of the Intellectual Property or any trademark, service mark, trade dress, or commercial symbol that is confusingly similar to any of the Marks or the Trade Dress.

§15.4. Return of Proprietary Information. You must immediately return to us, at your expense, all copies of the Manual, all of your Customer Information that you are permitted by law to transfer to us, and all other Proprietary Information (and all copies thereof). You may not use any Proprietary Information or sell, trade, or otherwise profit in any way from any Proprietary Information at any time following the expiration or termination of this Agreement.

§15.5. Cease Identification with Us. You must immediately take all action required (i) to cancel all assumed name or equivalent registrations relating to your use of the Marks and (ii) to cancel or transfer to us or our designee all authorized and unauthorized domain names, social media accounts, telephone numbers, post office boxes, and classified and other directory listings relating to, or used in connection with, the Business or the Marks (collectively, "Identifiers"). You acknowledge that as between you and us, we have the sole rights to and interest in all Identifiers. If you fail to comply with this paragraph, you hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Identifiers to us. The telephone company, the postal service, registrars, Internet Service Providers and each listing agency may accept such direction by us pursuant to this Agreement as conclusive evidence of our exclusive rights in such Identifiers and our authority to direct their transfer.

§15.6. Our Right to Purchase Business Assets.

(a) Exercise of Option. Upon termination of this Agreement for any reason or expiration of this Agreement without a fully executed successor franchise agreement, we may, by written notice within fifteen (15) days of the date of termination or expiration (the "Exercise Notice"), purchase the Operating Assets, and other assets used in the operation of the Business that we designate (the "Purchased Assets"). We have the unrestricted right to exclude any assets we specify relating to the Business from the Purchased Assets and not acquire them. You agree to provide us the financial statements and other information we reasonably require, and to allow us to inspect the Business and its assets, to determine whether to exercise our option under this paragraph. If you or one of your affiliates owns the Site, we may elect to include a fee simple interest in the Site as part of the Purchased Assets or, at our option, lease the Site from you or that affiliate for an initial five-year term with one renewal term of five (5) years (at our option) on commercially reasonable terms. You (and your Owners) agree to cause your affiliate to comply with these requirements. If you lease the Site from an unaffiliated lessor, you agree (at our option) to assign the Lease to us or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(b) Operations Pending Purchase. While we are deciding whether to exercise our option under this Article, and, if we do exercise that option, during the period beginning with our delivery of the Exercise Notice and continuing through the closing of our purchase or our decision not to complete the purchase, you must continue to operate the Business in accordance with or on the same terms as this Agreement. However, we may, at any time during that period, assume the management of the Business ourselves or appoint a third party (who may be our affiliate or our Area Representative) to manage the Business.

(c) Purchase Price. The purchase price for the Purchased Assets will be their fair market value for use in the operation of a Competitive Business (but not a Ceiling Guru business). However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, any Proprietary Information or our other intellectual property rights, or participation in the network of Businesses. For purposes of determining the fair market value of all equipment (including the Business Management and Technology System) used in operating the Business, the equipment's useful life shall be determined to be no more than three years. If we and you cannot agree on fair market value for the Purchased Assets, we will select an independent appraiser after consultation with you, and his or her determination of fair market value will be the final and binding purchase price.

(d) Closing. We will pay the purchase price at the closing, which will take place no more than sixty (60) days after the purchase price is determined, although we may decide after the purchase price is determined not to complete the purchase. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. We are entitled to all customary representations, warranties and indemnities in our asset purchase, including representations and warranties as to ownership and condition of and title to, assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events and conditions that existed or occurred in connection with the Business or your business prior to the closing of our purchase. At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Business's licenses and permits which may be assigned or transferred. If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your Owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us, our Area Representatives, and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

§15.7. De-identification of the Site. If we do not exercise our option to acquire the Site Lease or the Site, you will make such modifications or alterations to the Site immediately upon termination or expiration of this Agreement that we deem necessary to distinguish the appearance of the Site from a Ceiling Guru business, including, but not limited to, removing the signs, the Marks, and any Trade Dress that could indicate to the public an association with the Ceiling Guru brand. If you do not comply with the requirements of this Article, we may enter the Business without being guilty of trespass or any other tort, for the purpose of making or causing to be made any required changes. You agree to reimburse us on demand for our expenses in making such changes.

§15.8. Promote Separate Identity. You will not, directly or indirectly, in any manner, identify yourself, or any individual connected with you, as a former Ceiling Guru franchisee or as otherwise having been associated with us, or use in any manner or for any purpose any of the Marks.

§15.9. Surviving Provisions. You and your Owners must comply with the provisions of this Agreement which by their nature or by their terms survive the expiration or termination of this Agreement.

§15.10. Injunctive and Other Relief. You acknowledge that your failure to abide by the provisions of this Article will result in irreparable harm to us, and that our remedy at law for damages will be inadequate. Accordingly, you agree that if you breach any provisions of this Article, we are entitled to injunctive relief (including the remedy of specific performance) in addition to any other remedies available at law or in equity.

15.11 Liquidated Damages. If following termination of this Agreement, Franchisee and/or any Restricted Person violates any of the terms of the non-competition provisions set forth in Article 12 of this Agreement or the non-competition covenants set forth in in Attachment B, then in addition to any injunctive or other relief or other amounts that may be due under this Agreement, Franchisee agrees to pay to Franchisor liquidated damages equal to the average monthly Royalty Fees and Brand Fund Contributions that Franchisee was required to pay (without regard to any fee waivers or other reductions) from the date the Franchised Restaurant opened through the date of early termination multiplied by the lesser of: (a) one hundred four (104) weeks; or (b) the number of weeks remaining in the Agreement had it not been terminated, except that liquidated damages will not under any circumstances be less than $30,000. The parties hereto acknowledge and agree that it would be impracticable to precisely determine the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Royalty Fees and Brand Fund Contributions due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this Liquidated Damages provision to be a reasonable, good faith pre-estimate of those damages. The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalty Fees and Brand Fund Contributions. It does not cover any other damages, including damages to Franchisor's reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fees and Brand Fund Contribution sections. Franchisee and each of its owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fees and Brand Fund Contribution sections. The parties agree that nothing in this Article 15.11 will preclude Franchisor from seeking injunctive or other equitable relief (including specific performance, temporary restraining orders and temporary or preliminary injunctions, permanent injunctions) for a violation of the covenants and other obligations set forth in Article 12 of this Agreement or as set forth in Attachment B, or preclude any other right or remedy available under this Agreement or at law.

Article 16 Dispute Resolution and Governing Law

§16.1. Mandatory Pre-Litigation Mediation. Except as otherwise provided in this Article, prior to filing any proceeding to resolve any dispute based upon, arising out of, or in any way connected with this Agreement, a party must submit the dispute for mediation. The mediation will be held before one mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator selected by the American Arbitration Association ("AAA"). All parties must attend and participate in the mediation. The mediation shall not last more than one day and shall be held in Sunny Isles Beach, Florida, unless we no longer have an office there, in which case it will be held in the metropolitan area of our then-current principal place of business. If we and you do not resolve our dispute, then thereafter any party may file for litigation, as applicable in accordance with the terms of this Agreement. The mediation shall be governed by the rules of the AAA. It is the intent of the parties that mediation shall be held not later than fourteen (14) days after a written request for mediation shall have been served on the other parties. The obligation to mediate shall not be binding upon either party with respect to claims relating to the Marks, the non-payment or underpayment of any monies due under this Agreement, the noncompetition covenants, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief provided such equitable relief is deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute.

§16.2. Forum for Litigation. You and the Owners must file any suit against us, and we may file any suit against you, in any federal court located in Miami, Florida, or a state court located in Sunny Isles Beach, Florida unless we no longer have an office there, in which case, you must file any suit against us, and we may file against you, in federal or state courts located in the metropolitan area of our then-current principal place of business. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

§16.3. Governing Law. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Florida without regard to any principles of conflict of laws.

§16.4. Mutual Waiver of Jury Trial. You and we each irrevocably waive trial by jury in any litigation.

§16.5. Mutual Waiver of Punitive Damages. Each of us waives any right to or claim of punitive, exemplary, multiple, or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

§16.6. Remedies Not Exclusive. Except as provided in the previous paragraph, no right or remedy that the parties have under this Agreement is exclusive of any other right or remedy under this Agreement or under Applicable Laws. Each and every such remedy will be in addition to, and not in limitation of or substitution for, every other remedy available at law or in equity or by statute or otherwise.

§16.7. Limitations of Claims. Except for:

(a) claims against you by us concerning the underreporting of Gross Sales and corresponding underpayment of any fees;

(b) claims against you by us relating to third-party claims or suits brought against us as a result of your operation of the Business;

(c) claims against you by us for injunctive relief to enforce the provisions of this Agreement relating to your use of the Marks;

(d) claims against you by us relating to your financial obligations upon the termination or expiration of the Agreement;

(e) claims against you by us or concerning your obligations with respect to Proprietary Information and your covenant not to compete; and

(f) claims against you by us regarding an assignment of this Agreement or any ownership interest therein.

Any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial proceeding is commenced in the proper forum within one year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim.

§16.8. Our Right to Injunctive Relief. Nothing in this Agreement bars our right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage. You agree that we will not be required to prove actual damages or post a bond in excess of one thousand dollars ($1,000) or other security in seeking or obtaining injunctive relief whether preliminary or permanent and including specific performance with respect to this Agreement.

§16.9. Attorneys' Fees and Costs. You agree to reimburse us for all expenses we reasonably incur (including attorneys' fees and other costs of litigation): (i) to enforce the terms of this Agreement or any obligation owed to us by you or the Owners (whether or not we initiate a legal proceeding, unless we initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim you or the Owners assert against us on which we substantially prevail in court or other formal legal proceedings. We agree to reimburse you for all expenses you reasonably incur (including attorneys' fees): (i) to enforce the terms of this Agreement or any obligation owed to you by us (whether or not you initiate a legal proceeding, unless you initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim we assert against you on which you substantially prevail in court or other formal legal proceedings.

Article 17 Miscellaneous

§17.1. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Business and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document (the "FDD") that we delivered to you or your representatives. This Agreement includes the terms and conditions on Attachment A, which are incorporated into this Agreement by this reference.

§17.2. Amendments and Modifications. This Agreement may be amended or modified only by a written document signed by each party to this Agreement except that the Manual and any policies that we adopt and implement may be changed by us from time to time at our sole discretion.

§17.3. Waiver. Any term or condition of this Agreement may be waived at any time by the party which is entitled to the benefit of the term or condition, but such waiver must be in writing. No course of dealing or performance by any party, and no failure, omission, delay, or forbearance by any party, in whole or in part, in exercising any right, power, benefit, or remedy, will constitute a waiver of such right, power, benefit, or remedy. Our waiver of any particular default does not affect or impair our rights with respect to any subsequent default you may commit. Our waiver of a default by another franchisee does not affect or impair our right to demand your strict compliance with the terms of this Agreement. We have no obligation to deal with similarly situated franchisees in the same manner. Our acceptance of any payments due from you does not waive any prior defaults.

§17.4. Importance of Timely Performance. Time is of the essence with respect to all of your obligations under this Agreement.

§17.5. Construction. The headings in this Agreement are for convenience of reference and are not a part of this Agreement and will not affect the meaning or construction of any of its provisions. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "include," "including," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter.

§17.6. Severability. Each provision of this Agreement is severable from the others. If any provision of this Agreement or any of the documents executed in conjunction with this Agreement is for any reason determined by a court to be invalid, illegal, or unenforceable, the invalidity, illegality, or unenforceability will not affect any other remaining provisions of this Agreement or any other document. The remaining provisions will continue to be given full force and effect and bind us and you.

§17.7. Applicable State Law Controlling. If the termination, renewal, or other provisions set forth in this Agreement are inconsistent with any applicable state statute, in effect as of the Effective Date, governing the relationship of us and franchisees, the provisions of such statute will apply to this Agreement, but only to the extent of such inconsistency.

§17.8. Survival. Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer.

§17.9. Consent. Whenever our prior written approval or consent is required under this Agreement, you agree to make a timely written request to us for such consent. Our approval or consent must be in writing and signed by an authorized officer to be effective.

§17.10. Independent Contractor Relationship. This Agreement does not create, nor does any conduct by us create, a fiduciary or other special relationship or make you or us an agent, legal representative, joint venturer, partner, employee or servant of each other for any purpose. You are not authorized to make any contract, agreement, warranty, or representation on our behalf, or to create any obligation, express or implied, on our behalf. You are, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Business and its business, including any personal property, Operating Assets, or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Business. Further, we and you are not and do not intend to be partners, associates, or joint employers in any way, and we shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees and you have no relationship with our employees.

§17.11. Notices. All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; (iii) by overnight delivery service; or (iv) by facsimile (if the sender receives machine confirmation of successful transmission). Notices to you will be sent to the address set forth on Attachment A. Notices to us must be sent to:

Ceiling Guru Franchising, LLC
17100 Collins Ave., #210
Sunny Isles Beach, FL 33160

Either party may change its mailing address or facsimile number by giving notice to the other party. Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile.

§17.12. Execution. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, and all of which will constitute one and the same instrument.

§17.13. Successors and Assigns. Except as expressly otherwise provided herein, this Agreement is binding upon and will inure to the benefit of the parties and their respective heirs, executors, legal representatives, successors, and permitted assigns.

§17.14. No Third-Party Beneficiaries. Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.

§17.15. Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on Attachment A. To the extent that any provisions of Attachment A are in direct conflict with the provisions of this Agreement, the provisions of Attachment A shall control.

§17.16. Area Representative and Delegation. We may delegate the performance of any or all of our obligations under this Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. You acknowledge that if we appoint an Area Representative in the area that includes your Territory, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under this Agreement. We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

Article 18 Your Representations and Acknowledgments

§18.1. Covenant. You (on behalf of yourself and your Owners) hereby make the representations, warranties, and acknowledgments contained in this Article.

§18.2. Truth of Information. The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances when made.

§18.3. Due Authority. This Agreement has been duly authorized and executed by you or on your behalf and constitutes your valid and binding obligation, enforceable in accordance with its terms, subject to applicable bankruptcy, moratorium, insolvency, receivership, and other similar laws affecting the rights of creditors generally.

§18.4. Terrorist Acts. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, you represent and warrant to us that, as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you is designated under the Order as a person with whom business may not be transacted by us, and that you: (i) do not, and hereafter will not, engage in any terrorist activity; (ii) are not affiliated with and do not support any individual or Entity engaged in, contemplating, or supporting terrorist activity; and

(iii) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or Entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

§18.5. Independent Investigation. You have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that it involves business risks and that your results will be largely dependent upon your own efforts and ability. You have been accorded ample time to consult with your own legal counsel and other advisors about the potential risks and benefits of entering into this Agreement, and we have advised you to do so.

§18.6. Timely Receipt and Review of Agreement and Disclosure Document. You have received an execution ready copy of this Agreement at least seven (7) calendar days before you executed this Agreement or any related agreements or paid any consideration to us. You have also received a FDD required by applicable state and federal law, including a form of this Agreement, at least fourteen (14) calendar days (or such longer time period as required by applicable state law) before you executed this Agreement or any related agreements or paid any consideration to us. You have reviewed this Agreement and the FDD and have been given ample opportunity to consult with, and ask questions of, our representatives regarding the documents. You have no knowledge of any representations made about the Ceiling Guru franchise opportunity by us, our affiliates, or any of our or their officers, directors, owners, or agents that are contrary to the statements made in our FDD or to the terms and conditions of this Agreement. You have read this Agreement and our FDD and understand and accept that the terms and covenants in this Agreement are reasonable and necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each Business, and to protect and preserve the goodwill of the Marks.

§18.7. Financial Performance Representations. Except as may be stated in the FDD, neither we, nor any of our affiliates, nor any of our or our affiliates' officers, agents, employees, or representatives have made any representation to you, express or implied, as to the historical revenues, earnings, or profitability of any Ceiling Guru Business or the anticipated revenues, earnings, or profitability of the business subject to the License or any other business operated by us, our licensees, our franchisees, or our affiliates. In entering into this Agreement, you are not relying upon any information furnished by us or our representatives other than the information contained in this Agreement and the FDD. Any information you have acquired from other Ceiling Guru franchisees regarding their sales, profits or cash flows is not information obtained from us, and we make no representation about that information's accuracy.

[SIGNATURE PAGE FOLLOWS]

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

FRANCHISOR

CEILING GURU FRANCHISING, LLC

By:___________________________________

Name:_________________________________

Title:__________________________________

Date:__________________________________

FRANCHISEE

(IF ENTITY):

____
[Name]

By:___________________________________

Name:_________________________________

Title:__________________________________

Date:__________________________________

(IF INDIVIDUAL):

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

Date:__________________________________

ATTACHMENT A
FRANCHISEE-SPECIFIC TERMS

Effective Date:

Franchisee's Name(s):

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

Name	Percentage Ownership
[FRANCHISEE MEMBER 1]	%
[FRANCHISEE MEMBER 2]	%
[FRANCHISEE MEMBER 3]	%

Principal Executive:

Designated Representative:

Franchise Fee:

Franchisee's Address, Phone, and Email:

Protected Territory:
[Attach map or list of distinguishing territory features such as list of zip codes]

Signature Page for Attachment A (Franchisee-Specific Terms)

FRANCHISOR

CEILING GURU FRANCHISING, LLC

By:___________________________________

Name:_________________________________

Title:__________________________________

Date:__________________________________

FRANCHISEE

(IF ENTITY):

____

[Name]

By:___________________________________

Name:_________________________________

Title:__________________________________

Date:__________________________________

(IF INDIVIDUALS):

____

[Signature]

____

[Print Name]

____

[Signature]

____

[Print Name]

Date:__________________________________

Schedule 1 to Attachment A of the Franchise Agreement
Franchisee-Specific Terms
(to be completed after site selection and acceptance)

1. Site: ____
____
____

Ceiling Guru Franchising, LLC agrees that effective on the date specified below, (i) the address listed above is hereby accepted by us as the Site pursuant to the Franchise Agreement.

Ceiling Guru Franchising, LLC:

By:_________________________________

Name:______________________________

Title:_______________________________

Date:_______________________________

Acknowledged and Agreed:
[Franchisee]

By:_________________________________

Name:______________________________

Title:_______________________________

Date:_______________________________

ATTACHMENT B
PERSONAL GUARANTEE OF OWNER/SHAREHOLDER

This Personal Guarantee and Assumption of Obligations (this "Guarantee") is given this [DD MONTH YYYY], by [INDIVIDUAL OWNER NAME].

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Franchise Agreement") by Ceiling Guru Franchising, LLC ("Franchisor"), a Florida limited liability company, and [FRANCHISEE ENTITY], a [STATE AND FRANCHISEE ENTITY TYPE] ("Franchisee"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

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

The undersigned consents and agrees that:

- the undersigned's direct and immediate liability under this Guarantee shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
- the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- this Guarantee shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

- such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

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

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

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

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

GUARANTOR

____
[GUARANTOR NAME]

DATE:

ATTACHMENT C
GENERAL RELEASE

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of [DATE], by [FRANCHISEE], a(n) [STATE ORGANIZATION TYPE] ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Ceiling Guru Franchising, LLC ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Ceiling Guru business;

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

WHEREAS, as a condition to Franchisor's consent to [transfer the Agreement] [enter into a successor franchise agreement] [amend the Agreement] [terminate the Agreement] [other reason], Releasor has agreed to execute this Release upon the terms and conditions stated below.

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

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous

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

b. This Release shall be construed and governed by the laws of the state of Florida.

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

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

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

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

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

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

[Signature Page follows]

Signature Page to General Release Form

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

(i) FRANCHISEE:

[FRANCHISEE]

By: ______________________________

Printed Name: ______________________________

Title: ______________________________

(ii) FRANCHISEE'S OWNERS:

Signature: ______________________________

Printed Name: ______________________________

Signature: ______________________________

Printed Name: ______________________________

Signature: ______________________________

Printed Name: ______________________________

ATTACHMENT D
LEASE RIDER

THIS LEASE RIDER is entered into this _____ day of _______________, 20_____ by and between Ceiling Guru Franchising, LLC d/b/a Ceiling Guru ("Company"), _________________________ ("Franchisee"), and _________________________ ("Landlord").

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated ____________________, 20_____ (the "Franchise Agreement"); and

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

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

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

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

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.

2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Ceiling Guru system as Company may from time to time prescribe for the Business.

3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Ceiling Guru Franchising, LLC
17100 Collins Ave., #210
Sunny Isles Beach, FL 33160

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties have executed this Lease Rider of the date first above written:

COMPANY:	FRANCHISEE:
Ceiling Guru Franchising, LLC	
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

LANDLORD:

By: ______________________________

Name: ______________________________

Title: ______________________________

ATTACHMENT E
ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA Number:

Account Number:

Account Name:

Effective as of the date of the signature below, [FRANCHISEE NAME] (the "Franchisee") hereby authorizes Ceiling Guru Franchising, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated [EFFECTIVE DATE OF FA] (the "Franchise Agreement") for the business operating at: [FRANCHISEE'S PRINCIPAL ADDRESS] (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. [FRANCHISEE NAME] shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE:	FRANCHISOR:
______________________________	______________________________
[**FRANCHISEE NAME**]	Ceiling Guru Franchising, LLC
______________________________	______________________________
Name, Title	Name, Title

PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.

ATTACHMENT F
FRANCHISEE COMPLIANCE QUESTIONNAIRE

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

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

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

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

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

Yes____ No ____ 6. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes____ No ____ 7. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the System mark or any other mark at any location outside your Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Business(es)?

Yes____ No ____ 8. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Yes____ No ____ 9. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Yes____ No ____ 10. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes____ No ____ 11. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Business to open or consent to a transfer of that Business?

Yes____ No ____ 12. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes____ No ____ 13. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes____ No ____ 14. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 15. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 16. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 19. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Business purchase with exception of those payments or loans provided in the Disclosure Document?

[Signature page follows]

FOR MARYLAND FRANCHISEES: 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.

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

______________________________	______________________________
Signature of Franchisee Applicant	Signature of Franchisee Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated: ________________________	Dated: ________________________
______________________________	______________________________
Signature of Franchisee Applicant	Signature of Franchisee Applicant
______________________________	______________________________
Name (please print)	Name (please print)
Dated: ________________________	Dated: ________________________

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

ATTACHMENT G
NONDISCLOSURE AND NONCOMPETE AGREEMENT

CEILING GURU FRANCHISING, LLC

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Operating Principal(s), Key Manager(s), and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of [FRANCHISEE ENTITY] (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Ceiling Guru Franchising, LLC (the "Company") to: (i) establish and operate a Ceiling Guru franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of a Franchised Business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: [LOCATION ADDRESS] (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other stretch ceiling installation businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of the Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of

the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which: makes and installs ceilings (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Controlling Person of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a personal guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of one year after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25-mile radius of the Premises; or (ii) within a 25-mile radius of any other Ceiling Guru business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this one-year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without

my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees, and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND I HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURT CLOSEST TO FRANCHISOR'S THEN-CURRENT HEADQUARTERS OR, IF APPROPRIATE, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT COURT OF FLORIDA. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY FLORIDA OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having

valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

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

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday, and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor, and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: ____________________________

Name: ____________________________

Address: ____________________________

Title: ____________________________

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: ________________________________

Title: ________________________________

EXHIBIT F

AREA DEVELOPMENT AGREEMENT WITH ATTACHMENTS

AREA DEVELOPMENT AGREEMENT

between

CEILING GURU FRANCHISING, LLC

and

____

DEVELOPER

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<u>Attachments</u>

A. Franchisee-Specific Terms
B. Personal Guaranty for Owner/Shareholder

CEILING GURU FRANCHISING, LLC

AREA DEVELOPMENT AGREEMENT

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

RECITALS

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

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

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

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

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

1. Grant of Development Rights and Development Area

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

2. Fees

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

3. Development Schedule and Deadlines

3.1 Development Schedule. You must enter into Franchise Agreements, and open and operate Businesses in accordance with the deadlines set forth in the Development Schedule. By each "Opening Deadline" specified in the Development Schedule, you must have the specified number of Businesses open and operating. Prior to opening additional Businesses in your Development Area, you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Business in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

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

4. Development Area

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

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

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

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

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

(d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or Ceiling Guru Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Ceiling Guru name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and

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

5. Term

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

6. Termination

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

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

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

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

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

7. Assignment; Our Right of First Refusal

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

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

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

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

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

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

8. Incorporation of Other Terms

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

9. Miscellaneous

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

[Signature page follows]

Signature Page to the Area Development Agreement

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

FRANCHISOR	FRANCHISEE (IF ENTITY):
CEILING GURU FRANCHISING, LLC	_________________________________ [Name]
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________
Date:____________________________	Date:____________________________

(IF INDIVIDUALS):

Signature: _________________________

Print Name: ________________________

Date: ____________________________

Signature: _________________________

Print Name: ________________________

Date: ____________________________

Signature: _________________________

Print Name: ________________________

Date: ____________________________

Signature: _________________________

Print Name: ________________________

Date: ____________________________

<u>**Attachment A to the Area Development Agreement**</u>

FRANCHISEE SPECIFIC TERMS

1. **Effective Date (First Paragraph):**_________________________

2. **Franchisee's Name:**_____________________________________

3. **Franchisee's State of Organization** *(if applicable):* ______________________________

4. **Development Area (Section 1):** *[provide list of counties or zip codes which make up the Development Area] [attach map if necessary]*____________________________________
____
____
____

5. **Total Development Fee (Section 2):** $___________________

6. **Franchise Fee for each Business enter developed pursuant to this Development Agreement (Section 2):** $________________

7. **Development Schedule (Section 3)**: You agree to establish and operate a total of _______ Businesses within the Development Area during the term of this Agreement. The Businesses must be open and operating in accordance with the following Development Schedule:

<u>MINIMUM NUMBER OF BUSINESSES</u> The minimum number of Businesses open and operating by each Opening Deadline	**<u>OPENING DEADLINE</u>** Deadline to have the minimum number of Businesses open and operating (Month Date, Year)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
	___________________________ (the Expiration Date of the Agreement)

8. **Ownership of Franchisee (Recital C)**: If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
______________________________	______%
______________________________	______%
______________________________	______%
______________________________	______%

9. **Other Terms:**

[Signature page follows]

Signature Page to Attachment A – Franchisee Specific Terms

FRANCHISOR	FRANCHISEE (IF ENTITY):
CEILING GURU FRANCHISING, LLC	______________________________ [Name]
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________
Date:_____________________________	Date:_____________________________
	(IF INDIVIDUALS):
	Signature: _______________________
	Print Name: ______________________
	Date: ___________________________
	Signature: _______________________
	Print Name: ______________________
	Date: ___________________________
	Signature: _______________________
	Print Name: ______________________
	Date: ___________________________
	Signature: _______________________
	Print Name: ______________________
	Date: ___________________________

Attachment B to the Area Development Agreement

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this "**Guaranty**") is given this ____ day of ___________________, ______, by ______________________________________.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("**Agreement**") by Ceiling Guru Franchising, LLC ("**Franchisor**"), a Florida limited liability company, and ____, a ________________________________ ("**Franchisee**"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Agreement and, including any renewal thereof, as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Agreement (collectively, the "**Franchise Documents**"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;

2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;

3. protest and notice of default to any party with respect to the indebtedness of non- performance of any obligations hereby guarantied;

4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;

5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled;

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;

2. the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

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

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

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

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

GUARANTOR(S)

Signature:___________________________

Name:______________________________

Date:_______________________________

Signature:___________________________

Name:______________________________

Date:_______________________________

EXHIBIT G

GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of [DATE], by [FRANCHISEE], a(n) [STATE ORGANIZATION TYPE] ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Ceiling Guru Franchising, LLC ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Ceiling Guru business;

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

WHEREAS, as a condition to Franchisor's consent to [transfer the Agreement] [enter into a successor franchise agreement] [amend the Agreement] [terminate the Agreement] [other reason], Releasor has agreed to execute this Release upon the terms and conditions stated below.

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

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by

the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous

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

b. This Release shall be construed and governed by the laws of the state of Florida.

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

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

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

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

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

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

[Signature Page follows]

Signature Page to General Release Form

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

[FRANCHISEE]

By: ____

Printed Name: __________________________________

Title: _______________________________________

FRANCHISEE'S OWNERS:

Signature: ____________________________________

Printed Name: __________________________________

Signature: ____________________________________

Printed Name: __________________________________

Signature: ____________________________________

Printed Name: __________________________________

EXHIBIT H

<u>FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENT</u>

CEILING GURU FRANCHISING, LLC

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for trained employees, officers, directors, general partners, members, Operating Principal(s), Key Manager(s), and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of [FRANCHISEE ENTITY] (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Ceiling Guru Franchising, LLC (the "Company") to: (i) establish and operate a Ceiling Guru franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of a Franchised Business (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: [LOCATION ADDRESS] (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other stretch ceiling businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of the Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict

confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which: makes and installs ceilings (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Controlling Person of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a personal guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of one year after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25-mile radius of the Premises; or (ii) within a 25-mile radius of any other Ceiling Guru business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this one-year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent

injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees, and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND I HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURT CLOSEST TO FRANCHISOR'S THEN-CURRENT HEADQUARTERS OR, IF APPROPRIATE, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT COURT OF FLORIDA. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY FLORIDA OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

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

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday, and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor, and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: ______________________________

Name: ______________________________

Address: ______________________________

Title: ______________________________

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: ____________________________________

Title: ____________________________________

EXHIBIT I

STATE SPECIFIC ADDENDA

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

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

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

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

ITEM 3 – LITIGATION

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

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

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

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

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

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

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

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

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

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

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

11. The highest interest rate allowed by law for Late Payments in the State of California is 10% annually.

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

13. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

14. California law requires that you obtain a contractor's license of the California Contractors State License Board (CSLB) if the total cost (labor and materials) of one or more contracts on the project is $500 or more. Licenses may be issued to individuals, partnerships, corporations, or joint ventures. The CSLB does not license LLC entities.

After examination of our financial statements, the California Department of Financial Protection and Innovation has determined that adequate financial resources may not be available to the franchisor for the performance of our duties and obligations. We have elected to defer our fees until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

The following paragraphs are added in the state cover pages:

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

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

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

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

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

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

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

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

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

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

IOWA ADDENDUM TO DISCLOSURE DOCUMENT

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

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_______________(enter date of transaction)

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

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

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

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Ceiling Guru Franchising, LLC, 17100 Collins Ave., #210, Sunny Isles Beach, FL 33160 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ________________________

Signed: ___________________________

Name: ____________________________

Date: _____________________________

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.

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

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.[1]

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed franchisee to meet the franchisor's then-current reasonable qualifications or standards;

(ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor;

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

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

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

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

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

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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.

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

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

Any questions regarding this notice should be directed to:

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

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

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

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

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

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

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

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

a. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

b. No such party has pending actions, other than routine litigation. incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the· franchise system or its business operations.

c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust; trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

5. The following is added to the end of the "Summary" section of Item 17(o), 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.

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

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

7. Any requirements of an Area Representative Agreement that you consent to the entry of an injunction prohibiting any breach by you of your obligations under the Franchise Agreement are modified in the State of New York to provide only that you consent to the seeking of such an injunction.

8. The following sentence is added at the end of the section entitled “Modifications to System” in Item 17 of the Franchise Disclosure Document:

However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

1. Item 17(c) "**Requirements for Franchisee to Renew or Extend**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

2. Item 17(i) "**Requirement to Consent to Termination or Liquidated Damages**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which requires franchisee to pay liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

3. Item 17(r) "**Non-competition Covenants**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement restricting competition is contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law."

3. Item 17(u) "**Dispute Resolution**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which provides that the parties agree to an arbitration or mediation of disputes which place at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

4. Item 17(v) "**Venue**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota."

5. Item 17(w) "**Governing Law**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

6. Section 16.4 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Section 16.4 is deleted to the extent required by the Commissioner.

7. Section 16.5 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Section 16.5 is amended to the extent required by the Commissioner.

8. Section 16.7 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read the statute of limitations under North Dakota Law will apply.

9. Section 16.9 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement. The Commissioner has determined this to

be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision shall be changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Fee Deferral

After examination of our financial statements, the Commissioner has determined that adequate financial resources may not be available to the franchisor for the performance of our duties and obligations. We have elected to defer our fees until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

OHIO ADDENDUM TO DISCLOSURE DOCUMENT

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

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

Initials: _______________ Date: _______________

NOTICE OF CANCELLATION

_____________________(enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Ceiling Guru Franchising, LLC, 17100 Collins Ave., #210, Sunny Isles Beach, FL 33160not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _________________________

Signed: ____________________________

Name: ______________________________

Date: _______________________________

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

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

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

INFORMATION REQUIRED BY THE STATE OF WASHINGTON

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

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

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

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

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

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

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

WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

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

SIGNATURE PAGE FOR APPLICABLE ADDENDA

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

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Date:________________, ________

FRANCHISOR:

CEILING GURU FRANCHISING, LLC

By:____

Title: ____

FRANCHISEE:

____

By:____

Title: ____

EXHIBIT J

STATE CONTRACTOR LICENSING/REGISTRATION LAWS

STATE CONTRACTOR LICENSING/REGISTRATION LAWS

State	Requirement/Board Information
Alabama	State license required for general contractors; 334-272-5030; www.genconbd.alabama.gov; Residential contractors information at Alabama Home Builders Licensure Board; 334-242-2230; www.hblb.alabama.gov
Alaska	State license required; Division of Corporations, Business and Professional Licensing; www.commerce.state.ak.us/web/cbpl ; 907-465-2550. www.dced.state.ak.us
Arizona	Arizona Registrar of Contractors; 602-542-1525; www.azroc.gov
Arkansas	License required for some jobs; also, check with local government; Arkansas Contractors Licensing Board 501-372-4661; www.arkansas.gov/clb
California	State license required; California Contractors State License Board; 800-321-2752; www.cslb.ca.gov
Colorado	No state license required, check local county planning boards; www.colorado.gov
Connecticut	Connecticut Department of Consumer Protection; Occupational and Professional Licensing Division; 860-713-6135; www.ct.gov/dcp
Delaware	Required to obtain a business license from the Delaware Division of Revenue: 302-577-8778
District of Columbia	District of Columbia, Department of Consumer and Regulatory Affairs, Business and Professional Licensing Administration; 202-442-4311; www.dcra.dc.gov
Florida	Florida Department of Business and Professional Regulations; Construction Industry Licensing Board; 850-487-1395; www.myfloridalicense.com
Georgia	Georgia State Licensing Board for Residential and Commercial Contractors; 478-207-2440; http://sos.ga.gov/index.php/licensing/plb/46
Hawaii	Hawaii Department of Commerce and Consumer Affairs; Professional and Vocational Licensing Division; 808-586-3000; www.hawaii.gov/pvl/pvl
Idaho	Idaho Contractors Board; Idaho Bureau of Occupational Licenses; 208-334-3233; www.ibol.idaho.gov
Illinois	State license required for some trades; check local government for other trades.
Indiana	No state license required; check local government.
Iowa	Contractors registration information can be obtained through the Labor Division; 515-242-5871; www.iowacontractor.gov

State	Requirement/Board Information
Kansas	No state license required; check local government.
Kentucky	Only HVAC contractors require a state license; check local government for others.
Louisiana	Louisiana State Licensing Board for Contractors; 225-765-2301; www.lslbc.louisiana.gov
Maine	No state license required; Maine Attorney General Home Construction Warning; check local government.
Maryland	Maryland Home Improvement Commission; 410-230-6231; www.dllr.state.md.us/license/mhic
Massachusetts	Massachusetts Office of Consumer Affairs and Business Regulation; 617-973-8700; www.mass.gov/oca
Michigan	Michigan Department of Licensing and Regulatory Affairs; CSCL – Licensing Division; 517-373-8068; www.michigan.gov/builders
Minnesota	State License Required. Minnesota Department of Labor and Industry Residential Building Contractors; 651-284-5069; www.dli.mn.gov/ccld.asp
Mississippi	Mississippi State Board of Contractors; 601-354-6161; www.msboc.us
Missouri	No state license required; check local government.
Montana	Montana Department of Labor and Industry Contractor Registration Unit; 406-444-0563; www.mtcontractor.com
Nebraska	Nebraska Department of Labor; Office of Labor Standards; 402-471-2239; www.dol.nebraska.gov
Nevada	Nevada State Contractors Board; 702-486-1100, www.nscb.nv.gov
New Hampshire	No state license required; check local government.
New Jersey	New Jersey Division of Consumer Affairs; Office of Consumer Protection; Regulated Business Section; Contractors' Registration Act, N.J.S.A. sections 56:8-136 et seq.; 973-504-6200; www.nj.gov/oag/ca/HIC
New Mexico	New Mexico Construction Industries Division (CID); Regulation and Licensing Department; 505-476-4700; www.rld.state.nm.us/construction
New York	No state license required; check local government.
North Carolina	North Carolina Licensing Board for General Contractors; 919-571-4183; www.nclbgc.org
North Dakota	North Dakota Secretary of State; State Capital; 701-328-3665; www.nd.gov/sos

State	Requirement/Board Information
Ohio	Ohio Department of Commerce; OH Admin. Code, section 4101:16-2-05; check local government.
Oklahoma	Construction Industries Board Act of Oklahoma; Check local government.
Oregon	State License Required; Oregon Construction Contractors Board; 503-378-4621; www.oregon.gov/CCB
Pennsylvania	Registration with the Consumer Protection Bureau of the PA Attorney's General Office required; 717-772-2425; www.attorneygeneral.gov; (See Home Improvement Consumer Protection Act); check local government.
Rhode Island	Rhode Island Department of Administration; Contractors' Regulation and Licensing Board; 401-222-1268; www.crb.ri.gov
South Carolina	South Carolina Contractors Licensing Board; 803-896-4686; www.llr.state.sc.us/pol/contractors
South Dakota	No state license required; check local government.
Tennessee	Home improvement license required; Tennessee Board for Licensing Contractors; 800-544-7693 or 615-741-8307; www.tn.gov/commerce/section/contractors-home-improvement
Texas	Texas Comptroller of Public Accounts; 877-651-TRCC, www.trcc.state.tx.us
Utah	Utah Department of Commerce; Division of Occupational and Professional Licensing; 801-530-6628, www.dopl.utah.gov
Vermont	No contractors licensing; check local government.
Virginia	Virginia Department of Professional and Occupational Regulation; Board for Contractors; 804-367-8511; www.dpor.virginia.gov
Washington	Washington Department of Labor and Industries; Specialty Compliance Services Division; 360-902-5226 or 800-647-0982; www.lni.wa.gov/TradesLicensing/Contractors
West Virginia	West Virginia Division of Labor Contractor Licensing Board; 304-558-7890; www.wvlabor.org
Wisconsin	No license requirements; check local government.
Wyoming	No state requirement; check local government.

EXHIBIT K

STATE LAWS REGARDNG INDEPENDENT CONTRACTORS

STATE LAWS REGARDNG INDEPENDENT CONTRACTORS

State	Relevant Law
Alabama	No direct laws; check local government.
Alaska	No direct laws; check local government.
Arizona	Act defining "Indications of Control" (H.B. 2150); Law Creating Declaration of Independent Business Status (H.B. 2114)
Arkansas	No direct laws; check local government.
California	Opportunity to Work Act, AB 5, effective January 1, 2020; Independent Contractor Willful Misclassification Law (S.B.459); Labor Code Section 2810.3: Liability for Employment Violations of Independent Contractor Companies
Colorado	Misclassification of Employees as Independent Contractors Law for Purposes of the Colorado Employment Security Act (H.B. 09-1310)
Connecticut	Act Concerning Employee Misclassification (S.B. 454); Act Implementing the Recommendations of the Joint Enforcement Commission on Employee Misclassification (H.B. 5204)
Delaware	Workplace Fraud Act (Title 19, Section 3501 et seq.)
District of Columbia	Wage Theft Protection Amendment Act of 2014, effective February 25, 2014
Florida	Act Defining the Term "Independent Contractor" (H.B. 311)
Georgia	No direct laws; check local government.
Hawaii	No direct laws; check local government.
Idaho	No direct laws; check local government.
Illinois	Employee Classification Act (820 ILCS 185); Act Amending Portions of the Employee Classification Act (H.B. 923 and H.B 2649)
Indiana	Independent Contractor Information Sharing Laws (S.B. 0478)
Iowa	No direct laws; check local government.
Kansas	Misclassification of Employees to Avoid Tax Withholding, Contributions and Reporting Requirements (H.B. 2135)
Kentucky	No direct laws; check local government.
Louisiana	Act Providing Graduated Penalties for Misclassification (S.B. 472)
Maine	Uniform Definition of Independent Contractor for Unemployment Purposes (LD 1420, HP 437) (26 M.R.S.A., Chapter 13, 1043, 11, E) Act to Ensure that Construction Workers are Protected by Workers' Compensation (LD 1456, HP1008); Act Standardizing the Definition of Independent Contractor (PUBLIC Law, Chapter 643, LD 1314)

State	Relevant Law
Maryland	Workplace Fraud Act of 2009 (S.B. 909; amended S.B. 272); Amendments to Workplace Fraud Act (S.B. 272)
Massachusetts	Independent Contractor Misclassification Law; as amended
Michigan	No direct laws; check local government.
Minnesota	Independent Contractor Law (MN Stat. 181.723); Act Clarifying Definition of Independent Contractor and Creating Pilot Project for Construction Contractors (S.F. 1653)
Mississippi	No direct laws; check local government.
Missouri	No direct laws; check local government.
Montana	No direct laws; check local government.
Nebraska	Employee Classification Act (for Construction and Delivery Services) (LB 563)
Nevada	Act Establishing Uniform Definition of Independent Contractor (S.B. 224)
New Hampshire	Act Relative to the Definition of Employee (S.B. 92)
New Jersey	Construction Industry Independent Contractor Act (N.J.S.A. 34:20-1 et seq.)
New Mexico	No direct laws; check local government.
New York	Construction Industry Fair Play Act (S 5847C) (A 8237A), New York City – the Freelance Isn't Free, Act (No. 1017-2015)
North Carolina	Employee Fair Classification Act (SB407); 8/11/2017; created the Employee Classification Section within the North Carolina Industrial Commission
North Dakota	No direct laws; check local government.
Ohio	No direct laws; check local government.
Oklahoma	No direct laws; check local government.
Oregon	Determination of Independent Contractor Relationships (ORS 670.600); House Bill 2498 proposed amendments
Pennsylvania	Construction Workplace Misclassification Act (H 400)
Rhode Island	Suspected Misclassification Information Sharing Law (H 7564)
South Carolina	No direct laws; check local government.
South Dakota	No direct laws; check local government.
Tennessee	Misclassification of Employees in Construction Services (H.B. 833)

State	Relevant Law
Texas	Proper Classification of Workers Performing Services in Connection with Governmental Contracts (H.B. 2015)
Utah	Independent Contractor Database Act (S.B. 189); Amendments to Workers Compensation Laws Regarding Independent Contractor Misclassification (S.B. 159); Workers Classification Coordinated Enforcement (S.B. 11); Construction Licensees Related Amendments (S.B. 35)
Vermont	Act Related to Misclassification of Employees to Lower Premiums for Workers' Compensation and Unemployment Compensation (H. 647)
Virginia	Amendment to Workers' Compensation Law Increasing Penalties for Failure to Cover Employees (H. 458)
Washington	Determination of Independent Contractor Status Law (H.B. 1701)
West Virginia	No direct laws; check local government.
Wisconsin	Worker Classification Compliance Law (S.B. 672)
Wyoming	No direct laws; check local government.

EXHIBIT L

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	September 27, 2022
Maryland	Pending
Michigan	September 7, 2022
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	October 11, 2022
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	September 27, 2022

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

RECEIPT

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

If Ceiling Guru offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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

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

□ Rustam Junusov | 17100 Collins Ave., #210, Sunny Isles Beach, FL 33160; 855-500-4454

□ (Name) ______________________ (Address) ________________________________ (Phone) _______________

□ (Name) ______________________ (Address) ________________________________ (Phone) _______________

Issuance Date: September 21, 2022

I received a disclosure document that included the following Exhibits:

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

Date Received: ___________________________

Signature: ________________________________

Print Name: ______________________________

Please sign and keep this copy for your records.

RECEIPT

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I. State Specific Addenda
J. State Contractor Laws
K. State Independent Contractor Laws
L. State Effective Dates

Date Received: ________________________

Signature: ____________________________

Print Name: ___________________________

Return This Copy To Us: **Ceiling Guru**
17100 Collins Ave., #210
Sunny Isles Beach, FL 33160
855-500-4454; info@ceilingguru.com