FRANCHISE DISCLOSURE DOCUMENT

Detail Garage, LLC,
a California limited liability company
14108 S. Western Ave.
Gardena, California 90249
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Detail Garage, LLC ("we," "us," or "our") offers for sale a franchise to establish and operate a distinctive automobile detailing supplies store under the "DETAIL GARAGE" marks.

The total estimated investment necessary to begin operations of a Detail Garage Store franchise ranges from $150,975 to $260,450. This amount includes $95,100 to $126,400 that must be paid to the franchisor or its affiliate. The total estimated investment necessary to begin operations of a Detail Garage Store franchise pursuant to an area development agreement, which requires development of a minimum of three (3) Detail Garage Stores, ranges from $195,975 to $305,450. This amount includes $140,100 to $171,400 that must be paid to the franchisor or its affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Chad Zani at Detail Garage, LLC, 14108 S. Western Ave., Gardena, California 90249, and at (310) 227-7163.

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

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

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

Issuance Date: April 12, 2021, as Amended July 29, 2021

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only DETAIL GARAGE 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 DETAIL GARAGE franchisee?	Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.

2. **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.

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

4. **Inventory Control.** You must hold at least $40,000/month in inventory and supply even if you do not need that much. Your inability to make these purchases or to maintain levels at all times may result in termination of your franchise and loss of your investment.

5. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

TABLE OF CONTENTS

ITEM		PAGE
1.	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2.	BUSINESS EXPERIENCE	4
3.	LITIGATION	5
4.	BANKRUPTCY	6
5.	INITIAL FEES	6
6.	OTHER FEES	8
7.	ESTIMATED INITIAL INVESTMENT	14
8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	18
9.	FRANCHISEE'S OBLIGATIONS	22
10.	FINANCING	24
11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	24
12.	TERRITORY	33
13.	TRADEMARKS	36
14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	38
15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	39
16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	39
17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	40
18.	PUBLIC FIGURES	49
19.	FINANCIAL PERFORMANCE REPRESENTATIONS	49
20.	OUTLETS AND FRANCHISEE INFORMATION	56
21.	FINANCIAL STATEMENTS	60
22.	CONTRACTS	60
23.	RECEIPTS	61

Exhibits

A. FRANCHISE AGREEMENT AND EXHIBITS

B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

C. FINANCIAL STATEMENTS

D. STATEMENT OF PROSPECTIVE FRANCHISEE

E. TABLE OF CONTENTS OF MANUAL

F. FORM OF GENERAL RELEASE

G. STATE SPECIFIC ADDENDA

H. LIST OF FRANCHISEES AND THEIR OUTLETS

I. LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

J. AREA DEVELOPMENT AGREEMENT

K. ORDER SUPPORT AGREEMENT

L. STATE EFFECTIVE DATES

M. RECEIPTS

ITEM 1 THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this disclosure document uses "we," "us," "our," "Franchisor" or "Detail Garage" to mean Detail Garage, LLC, the franchisor. "You" means the person, corporation, partnership or other entity that buys the franchise.

Franchisor, Parent, and Affiliates

We do business under the name Detail Garage, LLC or in some cases, simply as "Detail Garage". Our principal business address is 14108 S. Western Ave., Gardena, California 90249. We are a California limited liability company formed on February 9, 2015. We began offering Detail Garage franchises on February 1, 2016.

Our parent, CG Group Holdings, LLC, is a Delaware limited liability company formed by our co-founders David Knotek and Paul Schneider on March 9, 2018. CG Group Holdings, LLC acquired us and our affiliates Smart LLC (formerly Smart Inc.), Auto Detail Supplies, LLC (formerly Auto Detailing Supplies Inc.), and Advanced Auto Detailing, LLC (formerly Advanced Auto Detailing Inc.), after Messrs. Knotek and Schneider contributed their individual equity interests of us and our affiliates to CG Group Holdings, LLC, on March 16, 2018. Its principal business address is 14108 S. Western Ave., Gardena, California 90249. It has never offered franchises in any line of business.

As a result of an Equity Purchase Agreement and Plan of Merger that closed on July 19, 2021, CG Group Holdings, LLC became indirectly owned and controlled by entities affiliated with a private equity sponsor through its parent entity, CHE Holdings I LP. Messrs. Knotek and Schneider together with other investors have equity interest in CHE Holdings I LP, which is a Delaware limited partnership formed on June 4, 2021, and our ultimate parent. Its principal business address is 520 Madison Ave, FL 40, New York, New York 10022. It has never offered franchises in any line of business.

Our affiliate Smart, LLC, a California limited liability company, was formerly Smart, Inc., a California corporation formed on April 30, 2003. Smart, Inc. converted its entity type from a corporation to a limited liability company on March 16, 2018. Its principal business address is 14108 S. Western Ave., Gardena, California 90249. Smart, LLC owns the CHEMICAL GUYS® and SMART WAX® brands, and manufactures and distributes lines of proprietary car care products under those brands. It has never offered franchises in any line of business.

Our affiliate Auto Detailing Supplies, LLC, a California limited liability company, was formerly Auto Detailing Supplies, Inc., a California corporation formed on October 27, 2008. Auto Detailing Supplies, Inc. converted its entity type from a corporation to a limited liability company on March 16, 2018. Auto Detailing Supplies, LLC is primarily engaged in internet sales and online sales of car care products, and order fulfillment. Its principal business address is 14108 S. Western Ave., Gardena, California 90249. It has never offered franchises in any line of business.

Our affiliate Advanced Auto Detailing, LLC, a California limited liability company, was formerly Advanced Auto Detailing, Inc., a California corporation formed on October 27, 2008. Advanced Auto Detailing, Inc. converted its entity type from a corporation to a limited liability company on March 16, 2018. Advanced Auto Detailing, LLC currently owns and operates 15 Detail Garage retail stores similar to the franchise you will own. It opened the flagship Detail Garage retail store, which is the model for the franchise we offer, in 2008. This location offers training and classes on car care and the use of CHEMICAL GUYS and SMART WAX products, from our headquarters at 14108 S. Western Ave., Gardena, California

90249. It has never offered franchises in any line of business.

On March 16, 2018, Advanced Auto Detailing, LLC acquired and became the parent of four of our affiliates, Detail Garage–Santa Ana, LLC, Detail Garage San Diego, LLC, Detail Garage Escondido, LLC, and Detail Garage Hawaii, LLC, each owned and operated a Detail Garage retail location similar to the franchise you will own and operate. On June 30, 2020, Advanced Auto Detailing, LLC, acquired 100% ownership interest in the three affiliates, Detail Garage–San Ana, LLC, Detail Garage San Diego, LLC, and Detail Garage Escondido, LLC, and on December 31, 2020, dissolved those three subsidiary entities. Upon the dissolution of the three subsidiary entities, the assets of each of the entities were merged into the parent company, making Advanced Auto Detailing, LLC, the direct owner of their three Detail Garage Stores. The remaining subsidiary and our affiliate, Detail Garage Hawaii, LLC ("DG Hawaii"), is a Delaware limited liability company formed on May 18, 2017, and is located at 406 Kamehameha Hwy, Pearl City, Hawaii 96782. It operates a Detail Garage retail location similar in size, decor and style to the franchise you will own and operate. It offers classes and training in car care, and exclusively sells products under the CHEMICAL GUYS and SMART WAX brands. It has never offered franchises in any line of business.

Agent for Service of Process

Our agents for service of process are disclosed in **Exhibit B.**

Predecessors and Prior Experience

We have no predecessors. We have never offered franchises in any other line of business. We do not and have never operated a Detail Garage franchise.

The Business We Offer

We offer for sale a franchise to operate a distinctive automobile detailing supplies store under the trade name DETAIL GARAGE™ (the “Store”), which will carry the CHEMICAL GUYS and SMART WAX brand products in a retail environment, and which will offer automobile detailing classes and workshops using the products and equipment. The franchised business may include a mobile component (e.g., a vehicle wrapped with Detail Garage logos) for use at trade shows and fairs. A Detail Garage Store is typically located in retail locations, although "A" locations are not required and may not even be desirable. The Detail Garage Store is a destination, and an appropriate location or center should provide for 80 to 100 car spaces on weekends to accommodate car clubs and other demonstrations. The Detail Garage Stores will typically range in size from 1,500 to 2,500 square feet, most of it dedicated to floor space, with some storage.

We primarily offer the right to establish and operate a Detail Garage Store under the terms of a single-unit franchise agreement (the “Franchise Agreement”). The Franchise Agreement authorizes you to use the “DETAIL GARAGE” trade name, trademarks and service marks (collectively, the “Marks”) in connection with your operation of the Store. The Detail Garage Stores are established and operated under a comprehensive and unique design that includes distinctive exterior and interior design, decor, display racks, car fenders and hoods for display and demonstration, color schemes, including black-and-white checkered flooring, and furnishings; various automobile detailing products, supplies and equipment; retail sales techniques and methods; automobile detailing classes and workshops; trade secrets, copyrights, confidential and proprietary information and other intellectual property rights; uniform standards, specifications, and procedures for operations; quality customer service; procedures for inventory,

management and financial control (including point of purchase and tracking systems); training and assistance; and advertising and promotional programs (collectively, the "System").

In addition to offering franchises for individual Detail Garage Stores, we offer the right to develop and operate a minimum of three (3) Detail Garage Stores under the form of an area development agreement attached as Exhibit J (the "Area Development Agreement"). The development schedule included in the Area Development Agreement (the "Development Schedule") will specify the dates by which you must open each Store. You will sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included in this Disclosure Document, for each Store you develop under an Area Development Agreement. The number of Stores, the development area and schedule must be agreed upon by us prior to execution of the Area Development Agreement. Before the execution of each Franchise Agreement, we will deliver to you a Disclosure Document describing the terms of our then-current Franchise Agreement and provide you with other relevant information.

Market and Competition

The market for retail sales of automobile detailing products and supplies is well established. The target market for Detail Garage Stores is the general public, professional detailers, car owners, and do-it-yourself detailers. You will face competition from local, independently owned and operated auto detailing supplies businesses, regional and/or national brands, including ecommerce retailers, that offer auto detailing retail products, including CHEMICAL GUYS and SMART WAX brand products, and even other Detail Garage Store franchisees.

Applicable Regulations

We are not aware of any regulations specific to the operation of an automobile detailing supplies retail store; however, in addition to laws, regulations and ordinances applicable to businesses generally, such as the Americans With Disabilities Act of 1990 (the "ADA"), the Federal and State Wage and Hour Laws and other laws related to employment rights and the Occupational Safety and Health Act of 1970, you may have to comply with certain federal, state and local health and sanitation regulations concerning the operation of the Store, and state and local zoning and building code requirements governing the construction of the Store.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

You should consult with your attorney, and local and state agencies/authorities, before buying a franchise to determine if there are any specific regulations you must comply with as it relates to offering the Store services and related products to consumers in your state, and consider the effects on you and the cost of compliance. These requirements can affect a broad scope of your operations, including location selection, and hiring of personnel, among other things.

ITEM 2 BUSINESS EXPERIENCE

Co-Founder and Chief Executive Officer: David Knotek

Mr. Knotek is one of our founders. He has served as our Chief Executive Officer since our inception. Mr. Knotek also holds and has held the position of Chief Executive Officer for our parent, CG Group Holdings, LLC, and our affiliates Smart, LLC, and Auto Detailing Supplies, LLC, since their formations in March 2018, April 2003 and October 2008, respectively. He served as our General Manager from our inception to July 2019. All positions listed above for Mr. Knotek are located in Gardena, California.

Co-Founder: Paul Schneider

Mr. Schneider is one of our founders. He is currently the Chief Creative Officer for our affiliate, Smart, LLC, and has held that position since November 2018. He served as our Vice President of Sales from our inception to July 2019. He was the Chief Executive Officer for our affiliate Advanced Auto Detailing, LLC from October 2008 to November 2018. From April 2003 to November 2018, he held the position of Chief Financial Officer at Smart, LLC. All positions listed above for Mr. Schneider are located in Gardena, California.

Chief Revenue Officer: John Mansfield

Mr. Mansfield is our Chief Revenue Officer and has held that position for us and our parent, CG Group Holdings, LLC, since March 2020, in Gardena, California. Prior to that, he was our Vice President of Retail from July 2019 to February 2020. He was Head of Retail at Porsche Design in Costa Mesa, California from April 2018 to July 2019. From January 2017 to April 2018, Mr. Mansfield was the Senior Director of Retail Operations at PIRCH in Oceanside, California; from July 2016 to January 2017, he was the Director of Training and Development at El Pollo Loco, in Costa Mesa, California; and from July 2015 to July 2016, he was the Director of Global Retail Training and Development at Oakley/Luxottica in Foothill Ranch, California.

Retail Operations Manager: Christian Oliva

Mr. Oliva has been our Retail Operations Manager since January 2020. Prior to that, he was our Franchise Operations Manager from March 2018 to December 2019. He was the Sales Manager for our affiliate, Smart, LLC, from April 2012 to December 2019. All positions listed above for Mr. Oliva are located in Gardena, California.

Director of Business Development: Chad Zani

Mr. Zani is our Director of Business Development and has held that position since January 2020, in Gardena, California. Prior to that, he was our Director of Franchising from November 2018 to December 2019, and our National Franchising Manager from May 2017 to November 2018. From April 2015 to May 2017, he was the CEO of our former affiliate, Envi, in Gardenia California, which is no longer in operation.

Director of Retail Operations: Christine Eastburn

Ms. Eastburn is our Director of Retail Operations and has held that position since October 2019, in Gardena, California. She was a Global Retail Consultant at Workforce Insight, from July 2019 to October 2019, and at SMK Workforce Solutions, from September 2018 to July 2019, in Huntington Beach, California.

From March 2017 to October 2017, Ms. Eastburn was the West Region Manager, Spectacles at Snapchat in Venice Beach, California. From July 2013 to February 2017, she was the Strategic Communications Manager at Oakley, located in Foothill Ranch, California.

Director of Fulfillment: Ken Brackett

Mr. Brackett serves as Director of Fulfillment and has held that position for us and our affiliate Smart, LLC, since June 2020, in Gardena, California. Prior to that he was our Director of Merchandising & Inventory Management from November 4, 2019 to June 2020, in Gardena, California. He was the Procurement Manager at Monster Beverage in Corona, California, from October 2017 to October 2019; the Regional Procurement Manager at Landsberg Orora in Montebello, California, from July 2016 to September 2017; and the Director of Product at Luxottica in Lake Forest, California, from January 2009 to July 2016.

ITEM 3 LITIGATION

Concluded Actions:

Cardinal Investments One, LLC, et al v. Detail Garage, LLC, et al. On January 21, 2020, in the United States District Court for the Central District of California (Case No. 2:20-cv-00579-SVW-GJS), plaintiffs Cardinal Investments One, LLC and Cardinal Investments Two, LLC, who owned and operated three Detail Garage franchises, and plaintiffs Lynn Gangemella and Wendy J. Jones, the guarantors of those franchises, filed a class action complaint against Franchisor and several of its affiliates, principals, and officers, CG Group Holdings, LLC; Smart, LLC; Auto Detailing Supplies, LLC; Advanced Auto Detailing, LLC; David Knotek; D. Paul Bower Schneider; and Chad Zani (collectively, "Defendants"). The complaint alleged violations of the California Franchise Investment Law; the Robinson-Patman Act; the Sherman Antitrust Act; the California Unfair Practices and Unfair Trade Practices Acts; the California Cartwright Act; breach of the implied covenant of good faith and fair dealing; negligent interference with prospective economic advantage; and intentional interference with contractual relations. Plaintiffs sought declaratory relief regarding the validity of the parties' arbitration agreement, franchise agreements and area development agreement, and inventory purchase agreement and secured promissory note; as well as injunctive relief; declaratory relief to continue their Detail Garage Store franchises; rescission of their Detail Garage Store franchise agreements; restitution; disgorgement; interest; damages, statutory damages, treble damages, and punitive damages arising from or incurred in connection with their purchase and operation of their Detail Garage franchises; and attorneys' fees and costs. Plaintiffs' claims stemmed from various allegations that Defendants misrepresented several aspects of the Detail Garage franchise system, including the true cost of opening and operating a Detail Garage franchise, that Detail Garage determines the pricing of products when Plaintiffs believe and allege it is Smart, LLC that determines the pricing of products, that franchisees receive the best pricing on Smart, LLC's products, and that Detail Garage was a "proven concept." Plaintiffs further alleged that Detail Garage franchisees are only solicited to increase Smart, LLC's customer base, so Smart, LLC can sell more products through the internet. Defendants denied the allegations and on April 10, 2020, filed a Motion to Compel Arbitration with the Court pursuant to the parties' franchise agreements. While a decision on the motion was pending, the parties resolved the litigation outside of the Court through a confidential settlement agreement. As part of the settlement agreement, Detail Garage paid $850,000 to Plaintiffs and Detail Garage took over Plaintiffs' three Detail Garage Stores, including all inventory and personal property in the Stores. Cardinal Investments One, LLC's and Cardinal Investments Two, LLC's franchise agreements with Detail Garage were terminated, with the exception of post-termination obligations, and Cardinal Investments One, LLC and Cardinal Investments Two, LLC exited the Detail Garage franchise system. The parties also mutually released all claims against the other, whether known or unknown. Finally, Cardinal Investments One, LLC, Cardinal Investments Two,

LLC, Wendy Jones, and Lynn Gangemella dismissed the entire action in the United States District Court for the Central District of California.

Except for the above action, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

Franchise Agreement

You must pay to us a lump sum "Initial Franchise Fee" in the amount of $30,000 to establish a single Detail Garage Store under the terms of a Franchise Agreement. If you own an existing auto detailing supplies business and are converting it to a Detail Garage Store, the Initial Franchise Fee will be reduced to $20,000.

We currently offer the following discounts on the Initial Franchise Fee:

Employee Discount: We offer a $10,000 discount on the Initial Franchise Fee for any current employee of ours or one of our affiliates, who wishes to purchase an initial franchise and end their employment with us or our affiliate and become a Detail Garage franchisee. The discount is available only to qualified employees who will operate their franchise as individual proprietors or who will hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by the employee. The employee must maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement or will be required to pay us the initial savings of $10,000.

U.S. Military Veterans Discount: To provide support to veterans of the U.S. military forces, we offer to all qualifying veterans the opportunity to purchase an initial franchise at a discount of $5,000 off the Initial Franchise Fee. To qualify for this discount, you must be a veteran who has received an honorable discharge from any branch of the U.S. Military or Coast Guard. You must provide us with documentation verifying your service, such as an identification card indicating your status as a veteran or your military service discharge records (e.g., DD Form.) This discount is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If you are a partnership, corporation or limited liability company, your status as a participating veteran must be submitted to us before you sign the Franchise Agreement, and you must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement, or you will be required to pay us the initial savings of $5,000.

First Responders Discount: We offer a $5,000 discount on the Initial Franchise Fee for active and retired "First Responders." To qualify for this discount, you must be an active or retired First Responder, which includes firefighters, law enforcers, state troopers, disaster response personnel, EMTs, paramedics,

and rescue team members. You must provide us with documentation verifying your employment as a First Responder, such as an employee ID card or badge, or a letter from your employer. The discount is available only to qualified First Responders who will operate their franchise as individual proprietors or who will hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by the First Responder. The First Responder must maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement or will be required to pay us the initial savings of $5,000.

In 2020, nine Detail Garage Franchisees received discounts and paid Initial Franchise Fees ranging from $22,500 to $30,000.

The Initial Franchise Fee is due upon the signing of the Franchise Agreement in the form of a cashier's check or by wire transfer. The Initial Franchise Fee shall be fully earned by us upon payment and is not refundable, in whole or in part, under any circumstance.

Area Development Agreement

If you wish to develop 3 or more Stores, you will sign an Area Development Agreement. Upon execution of the Area Development Agreement, you will pay us a lump sum development fee ("Development Fee") in an amount equal to the total of $30,000 for the first Detail Garage Store, $25,000 for the second Detail Garage Store, and $20,000 for the third Detail Garage Store and each subsequent Detail Garage Store thereafter to be developed under the terms of the Area Development Agreement. The Development Fee is not refundable, in whole or in part, under any circumstances.

The Initial Franchise Fee due for each Store developed under an Area Development Agreement will be $30,000 for the first Store, $25,000 for the second Store, and $20,000 for the third Store and each subsequent Store thereafter. The Development Fee will be credited/applied to the Initial Franchise Fee due for each applicable Store at the signing of each individual Franchise Agreement.

Furniture, Fixtures and Supplies Package

Prior to the opening of your Store, you must purchase your furniture, fixtures, and supplies for the Store from us. The cost of the Furniture, Fixtures, and Supplies Package ranges from $15,000 to $25,000, and varies according to the size of the Store. The package includes wall panels, shelving, brackets, hooks, baskets, racks, a retail counter, nesting tables, acrylic displays, and barrels. The low-end of the range represents a Store with approximately 1,500 square feet of retail space and the high-end represents a Store with approximately 2,500 square feet of retail space. You will use the services of a third-party design agency, who we have designated as the Approved Supplier for Store Design, to assist you in putting together your Furniture, Fixtures and Supplies Package. The designer will tailor-fit a Store design for you and advise you on the furniture, fixtures and supplies needed for your Store. You must pay the full amount due to us for the Furniture, Fixtures, and Supplies Package, by electronic funds transfer ("EFT") or credit card, at the time you place your order. The cost of the Furniture, Fixtures and Supplies Package is non-refundable, in whole or in part, under any circumstances. You are responsible for paying the third-party design agency directly for their services.

Opening Inventory of Products

Prior to the opening of the Store, you must purchase from our affiliate Smart, LLC a minimum opening inventory of CHEMICAL GUYS and SMART WAX products (the "Opening Inventory of Products") in

an amount ranging from $50,000 to $70,000. The minimum amount will be calculated based on the size of your Detail Garage Store and its location "site score," which will be determined by our analytics mapping software, SCOUT. You must pay the full amount due to Smart, LLC within 90 days from the date of the invoice, by electronic funds transfer ("EFT") or credit card. If you pre-pay the full amount upfront, at the time your order is placed, you will receive a 10% discount on the total amount of your order. The cost of the Opening Inventory of Products is non-refundable, in whole or in part, under any circumstances.

The Opening Inventory is made up of approximately 70% chemicals (e.g., soaps, cleaners, waxes, polishes, etc.); 20% accessories (applicators, brushes, mitts, pads, gear, etc.) and micro-fiber towels; and 10% equipment (e.g., polishing and buffing machines, vacuums, blowers, etc.) Up to 10% of the total catalog of inventory offered to our franchisees by Smart, LLC may not be available at any given time due to shortages as a course of normal business. This does not apply to supply chain interruptions due to circumstances outside of Smart, LLC's control, such as, manufacturing bottlenecks, supplier delays, natural disasters, pandemics, quarantine restrictions, etc. Under such circumstances, your inventory orders may be delayed or unfulfilled for an indefinite period of time.

Uniforms

You must purchase from our affiliate Smart, LLC a sufficient number of "Detail Garage" logo T-shirts for each employee at the Store. Our logo T-shirts cost approximately $10 each and our professional button-up shirts cost approximately $35 each. If you purchase 5 shirts for each of your employees, the amount of your initial purchase of uniforms for 2 individuals will range from $100 to $350 and for 4 individuals it will range from $400 to 1,400. This amount will be paid by EFT and is due prior to the opening of the Store. This fee is not refundable, in whole or in part, under any circumstances.

ITEM 6 OTHER FEES

Franchise Agreement

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	4% of Gross Sales[1]	By the 15th day of each month, payable by EFT.	If any state imposes sales or other taxes on the royalty fees, then we have the right to collect this tax from you.
Marketing Fund Contribution[2]	Currently, 3% of Gross Sales[1]	By the 15th day of each month, payable by EFT.	Your Marketing Fund Contributions will begin from the date the Store first opens for business. The contributions may range from 0 – 3% of Gross Sales.
Local Marketing/ Advertising Expenses	2% of Gross Sales	Quarterly	You must spend at least this amount on local advertising and promotion of the Store each quarter.
Advertising Cooperative Fees [3]	Not yet established.	(See Note 3)	(See Note 3)
Additional Training at SDU	$1,900 per trainee.	Prior to training.	See Item 11 for more detailed information on training.

Type of Fee	Amount	Due Date	Remarks
Ongoing/Refresher Training [4]	$500 to $1,500 per day.	Prior to training.	Additionally, you must pay for your employee's compensation (if applicable), and any travel and living expenses you (and your employees) incur to attend the training.
Late Fees	The lesser of 1.5% per month or the highest rate of interest allowed by law. The highest interest rate allowed in California is 10% annually.	Upon demand.	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of $250 per month for each late payment.
Renewal Fee	$5,000	At time of renewal.	You must renovate and reimage the Store at your expense at the time of renewal to conform to our then-current standards and image.
Transfer Fee	50% of the then-current Initial Franchise Fee	Before the transfer.	Payable when you sell the Store. No charge if the Store is transferred to a corporation or other entity that you control.
Uniforms – Logo Shirts	$10 per T-Shirt or $35 per Button-Up Shirt.	At time of order.	You must purchase at least 5 T-shirts for each employee at the Store. This fee is payable to our affiliate Smart, LLC.
CHEMICAL GUYS and SMART WAX Brand Products[5]	$5,000 to $15,000 monthly	Due 45 days from date of Invoice.	This fee is payable to our affiliate, Smart, LLC, and is based on your Store's size and sales volume. We will supply you with a list of the Products and the price of each item that is available for purchase from our affiliate. The list and the item prices may be modified from time to time with 30 days' written notice to you.
Insurance Reimbursement[6]	Amount of unpaid premium. Our estimate for 3 mos. of the minimum required insurance is $875- $1,000.	Must have the policies within 60 calendar days after signing the Franchise Agreement, but no later than the time that you acquire an interest in the real property from which	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.

Type of Fee	Amount	Due Date	Remarks
		you will operate the Store.	
Audit Fees[7]	Cost of Audit	Within 15 calendar days after receipt of audit report.	Payable only if audit shows an understatement.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Store.
Store Upgrades and Ongoing Maintenance Costs[8]	$500 - $10,000	At time of modification.	You will make these expenditures as we require to comply with modifications, improvements, and/or upgrades, such as painting, graphics, equipment or fixture repair and on-going maintenance depending on the wear and tear of the Store and in accordance with the System. Payable to suppliers.
Alternative Supplier Approval[9]	Our incurred costs, plus 15% to cover administrative overhead.	At time of request.	These costs include reimbursement to us for any travel, accommodations, and meal expenses.
Support Fee[10]	$750 per day	At time of support.	Payable only if you fail to have a trained and certified Designated Operator or general manager ("Store Manager").
Lightspeed POS Software Fee[11]	$238.25	Monthly	You will pay this fee directly to us, and we will pay the third-party approved supplier on your behalf.
Kangaroo Software Fee[12]	$149 per month	Monthly	We impose this fee, but you will pay this fee to the third-party approved supplier.
Cayan Software Fee[13]	Varies per your plan and usage.	Monthly	We impose this fee, but you will pay this fee to the third-party approved supplier.
Product Order Support Services (Optional)[14]	$200 per month	Monthly	We will only charge you this fee if you request that we provide you with our Product Order Support Services. This is an optional service;

Type of Fee	Amount	Due Date	Remarks
			you are not required to use our order support services.

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties may be refundable based on your individual arrangements.

Notes to Chart for Franchise Agreement:

[1] Gross Sales. The term "Gross Sales" means the total revenues you derive, directly or indirectly from all business conducted upon, from or in connection with the Store, less sales taxes or similar taxes imposed by governmental authorities. If a taxing authority imposes any tax on us, such as a sales tax or a tax on the Royalty Fee or on any other fees paid to us; we may collect any such tax directly from you. (See Section 5.3 of the Franchise Agreement for a more complete definition.) You must participate in our then-current electronic funds transfer and reporting program(s). (See Exhibit 2 and Exhibit 3 of the Franchise Agreement.) All fees owed, and any other amounts designated by us, must be received or credited to our account by pre-authorized bank debit by 5:00 p.m. on or before the applicable due date. Your franchised business may be located in a jurisdiction whose taxing authority will subject us to tax assessments on payments you submit to us for the Royalty Fee and Marketing Fund Contributions. Under such circumstances, you will be required to adjust, or "gross up" your payment to us to account for these taxes.

[2] Marketing Fund Contribution. We have established a national advertising and marketing fund (the "Marketing Fund") and you will be required to make a contribution every week to such fund ("Marketing Fund Contribution") beginning from the date the Store first opens for business. The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Detail Garage Stores and the Detail Garage brand; agency and consulting services; research; and any expenses approved by us and associated with your Store. We will have sole discretion over all matters relating to the Marketing Fund. You must pay for your own local advertising.

[3] Advertising Cooperative Fee. If we establish a local or regional advertising cooperative to promote Store in your market area, you will contribute to the cooperative in such amounts as are determined by the majority of its members. We are not required to participate in any cooperative advertising programs. As of the date of this Disclosure Document, no local or regional advertising cooperative has been established. (See Item 11).

[4] Ongoing/Refresher Training. From time to time, we may offer system-wide ongoing or refresher training to the Detail Garage Franchisees for a reasonable fee, such training may include updates on new products, courses, meetings, seminars and conventions. You agree to personally attend or have your Store Manager (if approved by us) attend any and all required ongoing or refresher training, annually, or as required.

[5] CHEMICAL GUYS and SMART WAX Brand Products. Up to 10% of the total catalog of inventory offered to our franchisees by Smart, LLC may not be available at any given time due to shortages as a course of normal business. This does not apply to supply chain interruptions due to circumstances outside of Smart, LLC's control, such as, manufacturing bottlenecks, supplier delays, natural disasters, pandemics, quarantine restrictions, etc. Under such circumstances, your inventory orders may be delayed or unfulfilled for an indefinite period of time. We currently offer a national franchisee referral program (the "Franchisee Referral Program") that provides existing Detail Garage Store franchisees the opportunity to earn a referral incentive of $3,000 in inventory credit only, which may be applied to purchases of our brand products, for each new qualified candidate they refer/introduce to us, who meets our criteria for approval as a Detail Garage Store franchisee, and who signs a Franchise Agreement and pays the applicable Initial Franchise Fee for a Detail Garage Store within twelve (12) months of the date we receive the referral. All existing Detail Garage Store Franchisees, who are in good standing, are eligible to participate. Only one franchisee may receive the referral incentive for each qualified candidate.

[6] Insurance Reimbursement. The minimum limits for coverage under many policies will vary depending on several factors, including the size of your Store. See Item 8 of this Disclosure Document for our minimum insurance requirements.

[7] Audit Fees. In the event that an audit discloses an understatement of Gross Sales or other discrepancy, in addition to the cost of the audit, you will be required to pay the Royalty Fee and Marketing Fund Contribution due on the amount of such understatement, plus late fees and interest.

[8] Store Upgrades and Ongoing Maintenance Costs. A full Store retrofit or remodel may be required once during the term of the Franchise Agreement, depending on the overall condition of the Store. You must promptly repair or replace defective, worn-out or obsolete equipment, signage, fixtures or any other item of the interior or exterior of the Store that is in need of repair, refurbishing or redecorating in accordance with our established standards, which may be updated from time to time, or as may be required by your lease. We may change or modify the System that is presently identified by the Marks, including, the adoption and use of new or modified Marks or copyrighted materials. You may be responsible for any reasonable conversion costs.

[9] Alternative Supplier Approval. You may request the approval of an item, product, service or supplier. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal.

[10] Support Fee. We may charge you this fee weekly, plus travel and living expenses, until you have a replacement or successor Designated Operator or Store Manager attend and successfully complete the required training. (See Item 11 for details.)

[11] Lightspeed POS Software Fee. Lightspeed is an independent, third-party company that provides an online, cloud-based Point-of-Sale ("POS") System, which you are required to use in the operation of your Store. We have arranged to consolidate the POS services for our franchisees and have signed a 'master contract' with this supplier. You will pay us monthly for these services, at the same time and in the same manner as you pay the Royalty Fee.

[12] Kangaroo Software Fee. Kangaroo is an independent, third-party company that provides a loyalty-marketing platform, which you are required to use in the operation of your Store. You will pay this fee directly to Kangaroo.

[13] Cayan Software Fee. Cayan is an independent, third-party company that provides a cloud-based, payment processing platform, which you are required to use in the operation of your Store. You will pay this fee directly to Cayan.

[14] Product Order Support Services (Optional). If you elect to use our product order support services, we will review your product inventory and sales information through your POS system and provide you with a recommended order of CHEMICAL GUYS and SMART WAX Brand Products from our affiliate, Smart, LLC., every two weeks. You are solely responsible for placing your order with Smart, LLC, and are not required to follow our recommendations. You will sign an Order Support Agreement with us in the form attached as **Exhibit K** to this disclosure document. So long as you make your monthly payments and are in Good Standing, the Order Support Agreement will remain in effect throughout the term of the Franchise Agreement unless terminated earlier by you our us with written notice to the other party. We will give you 30 days' written notice before terminating such agreement.

Area Development Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Assignment Fee [2]	$2,500 per remaining Stores to be developed	On submitting application for consent to assignment	Payable when you want to sell/transfer the rights under your Area Development Agreement.
Indemnification	All costs, including attorneys' fees	As incurred	You must reimburse us for all damages arising from your activities.

Notes to Chart for Area Development Agreement:

[1] All fees are nonrefundable; the fees are cumulative of the fees you pay under each Franchise Agreement in connection with the operation of each Store.

[2] These fees are imposed by and are payable to us.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE DETAIL GARAGE STORE

TYPE OF EXPENDITURE	AMOUNT [1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[2]	$30,000	Lump Sum, by certified check or wire transfer	At signing of Franchise Agreement	Us
Travel and Living Expenses While Training [3]	$1,000 - $2,500	As arranged	As incurred	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease [4]	$6,000 - $10,000	As arranged	As incurred	Landlord
Leasehold Improvements[5]	$10,000 - $50,000	As arranged	As incurred	Approved Suppliers, Architects and Contractors
Opening Inventory of Products[6]	$50,000 - $70,000	EFT (electronic funds transfer)	Before Opening Your Business	Our Affiliate
Signage[7]	$5,000 - $10,000	As arranged	As incurred	Approved Suppliers
Furniture, Fixtures, and Supplies Package[8]	$15,000 – $25,000	As arranged	Before Opening Your Business	Us
Insurance[9]	$875- $1,000	As arranged	Before Opening Your Business	Insurance Carrier
Utility Deposits[10]	$0 - $1,000	As arranged	As incurred	Utility Suppliers
Business Licenses and Permits[11]	$1,000 - $2,500	As arranged	As arranged	Local, State or Federal Government
Professional Fees/ Services[12]	$5,000 - $7,000	As Arranged.	As Incurred	Attorneys, Accountants, Approved Suppliers and Vendors
Office Equipment & Supplies[13]	$500 - $1,000	As arranged	As incurred	Approved Suppliers and Vendors
Computer/POS System[14]	$6,500 - $8,050	As arranged	As arranged	Approved Suppliers
Music/Entertainment System[15]	$500 - $1,000	As arranged	As arranged	Approved Suppliers and Vendors
Uniforms[16]	$100 - $1,400	EFT	Before Opening Your Business	Our Affiliate
Grand Opening Expenses[17]	$1,500 - $5,000	As required	As incurred	Vendors
Additional Funds – 3 months[18]	$18,000 - $35,000	As arranged	As incurred	Employees, Vendors, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT	**$150,975 - $260,450**			

YOUR ESTIMATED INITIAL INVESTMENT PURSUANT TO AN AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT [1]	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee[2]	$75,000	Lump Sum, by certified check or wire transfer	At signing of Franchise Agreement	Us
Travel and Living Expenses While Training [3]	$1,000 - $2,500	As arranged	As incurred	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease [4]	$6,000 - $10,000	As arranged	As incurred	Landlord
Leasehold Improvements[5]	$10,000 - $50,000	As arranged	As incurred	Approved Suppliers, Architects and Contractors
Opening Inventory of Products[6]	$50,000 - $70,000	EFT (electronic funds transfer)	Before Opening Your Business	Our Affiliate
Signage[7]	$5,000 - $10,000	As arranged	As incurred	Approved Suppliers
Furniture, Fixtures, and Supplies Package[8]	$15,000 – $25,000	As arranged	Before Opening Your Business	Us
Insurance[9]	$875- $1,000	As arranged	Before Opening Your Business	Insurance Carrier
Utility Deposits[10]	$0 - $1,000	As arranged	As incurred	Utility Suppliers
Business Licenses and Permits[11]	$1,000 - $2,500	As arranged	As arranged	Local, State or Federal Government
Professional Fees/ Services[12]	$5,000 - $7,000	As Arranged.	As Incurred	Attorneys, Accountants, Approved Suppliers and Vendors
Office Equipment & Supplies[13]	$500 - $1,000	As arranged	As incurred	Approved Suppliers and Vendors
Computer/POS System[14]	$6,500 - $8,050	As arranged	As arranged	Approved Suppliers
Music/Entertainment System[15]	$500 - $1,000	As arranged	As arranged	Approved Suppliers and Vendors
Uniforms[16]	$100 - $1,400	EFT	Before Opening Your Business	Our Affiliate
Grand Opening Expenses[17]	$1,500 - $5,000	As required	As incurred	Vendors
Additional Funds – 3 months[18]	$18,000 - $35,000	As arranged	As incurred	Employees, Vendors, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT	**$195,975 - $305,450**			

Notes:

[1] General. All amounts are non-refundable unless otherwise noted. Lease security deposits and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. Amounts payable to third-party suppliers and vendors, who are not designated or approved by us, may be refundable according to arrangements you make with the supplier or vendor. These figures are estimates of the range of your initial costs in the first 3 months of operation only. We do not offer direct or indirect financing but leasing and financing may be available for many of the above expenses through third-party lenders.

[2] Initial Franchise Fee and Development Fee**.** We do not finance any of your initial franchise fees. The Initial Franchise Fee and Development Fee are non-refundable. If you are converting an existing auto detailing supplies business to a Detail Garage Store, the Initial Franchise Fee will be reduced to $20,000. We offer an Employee Discount of $10,000 off the Initial Franchise Fee, a U.S. Military Discount of $5,000 off the Initial Franchise Fee, and a First Responder Discount of $5,000 off the Initial Franchise Fee for those who qualify. If you open a Store pursuant to an Area Development Agreement, the Initial Franchise Fee will be $30,000 for the first Store, $25,000 for the second Store, and $20,000 for the third Store and each subsequent Store thereafter. The Development Fee disclosed here is for 3 Detail Garage Stores (the required minimum) developed under an Area Development Agreement and is due at the signing of the Area Development Agreement. The Development Fee will be credited to the Initial Franchisee Fee at the signing of the Franchise Agreement for each applicable Store developed under the Area Development Agreement. Please see Item 5 of this Disclosure Document for more detailed information on the Initial Franchise Fee and the Development Fee.

[3] Travel and Living Expenses While Training. You must pay for all costs incurred by you while attending training (e.g., transportation, meals, lodging and other expenses). The amount you will spend while training will depend on several factors, including the number of persons attending, the distance you must travel and the type of accommodations you choose, if any are needed.

[4] Real Estate/Lease. If you do not own adequate Store space, you must lease suitable premises. These figures assume that the leased premises will be approximately 1,500 to 2,000 square feet. The figures assume base monthly rental rates ranging from $1.66 to $3.13 per square foot. Landlords may also vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges"), your pro rata share of the real estate taxes and insurance, and your pro rata share of HVAC and trash removal. The actual amount you pay under the lease will vary depending on the size of the Store, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords, and the prevailing rental rates in the geographic area. You may also be required to pay a security deposit equal to a month's rent. The estimate covers 2 months (first and last) of rent.

Since rental, improvement and other real-estate-related costs can vary significantly by area, it's your responsibility to (1) independently research all applicable laws and regulations, and real estate market conditions and costs, where you plan to locate and operate your facility, and (2) obtain appropriate advice from your own accountant, attorney and real estate professional, before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[5] Leasehold Improvements. The cost of leasehold improvements will vary depending on (i) the size and configuration of the premises; (ii) pre-construction costs (e.g., demolition of existing walls and removal of existing improvements and fixtures); and (iii) cost or materials and labor which may vary based on

geography and location. You must adapt our prototypical plans and specifications for the construction and finish-out of the Store. These figures are our best estimate based on construction/finish-out rates and conditions in southern California. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These amounts may also vary depending on whether certain of these costs will be incurred by the landlord and allocated over the term of the lease. The low-end of the range reflects modest improvements to a smaller location, and the high end reflects significant physical improvements to a larger Store.

[6] Opening Inventory of Products. Before you open your Store, you must purchase from our affiliate, Smart, LLC, an Opening Inventory of Products, which will cover approximately 3 months of operations. The Opening Inventory of Products includes waxes, polishes, cleansers, accessories, and other auto detailing supplies and equipment manufactured under our CHEMICAL GUYS, SMART WAX and other brands.

[7] Signage. You will need to purchase appropriate signage for your Store that we approve. The cost of your signage may be more or less than this estimate, and depends on the size, type and method of installation you choose. Each mall, retail center, or free-standing building will have different restrictions on interior and exterior signage that may affect your costs.

[8] Furniture, Fixtures, and Supplies Package. You must purchase your furniture, fixtures, and supplies for the Store from us. The package includes wall panels, shelving, brackets, hooks, baskets, racks, a retail counter, nesting tables, acrylic displays, and barrels. The low-end of the range represents a Store with approximately 1,500 square feet of retail space and the high-end represents a Store with approximately 2,500 square feet of retail space.

[9] Insurance. This estimate is for 3 months of your minimum required insurance. The actual cost may be more than shown here. You will need to check with your insurance carrier for actual premium quotes and costs, and for the actual amount of deposit. Insurance costs can vary widely, based on the area in which your business is located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[10] Utility Deposits. Typically, a utility deposit will be required only if you are a new customer of the utility company.

[11] Business Licenses and Permits. The range of costs covers the expense to acquire the required local business permits. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your Store. Our estimated costs include building permits, fire inspection, sales tax permit, and retail sales permits. You should investigate applicable requirements in your area and the related costs, including receiving advice from regulatory agencies and your own lawyer, before making any commitments, whether to us or anyone else.

[12] Professional Fee/Services. Professional fees include payments to attorneys, accountants, and other consultants, including our Approved Supplier of Store Design, whose services you are required to use in designing your Store. The cost of hiring the Approved Supplier for Store Design will range from approximately $3,000 to $6,000.

[13] Office Equipment & Supplies. There is a range of expenses that will be incurred when purchasing office equipment and related supplies. Both the low-end and the high-end numbers represent a straight

purchase of all supplies and equipment. The equipment will include multi-function printer/scanner/fax machines and telephone system.

[14] Computer/POS System. You must purchase or lease the computer system approved by us for use in the Store (the "Computer System"), which includes 2 computers, 2 cash registers, a Point of Sale ("POS") system and certain software programs. Currently, we require you to use an online POS System provided by Lightspeed, a loyalty-marketing platform provided by Kangaroo, and a cloud-based payment processing platform provided by Cayan. You will pay us monthly for the Lightspeed POS software. You will pay the approved suppliers for the other required software programs directly for their services and use of their software. Your Computer System must meet all our current standards and specifications and be fully compatible with our computer system and software programs. (See Item 11 of this Disclosure Document for more details.)

[15] Music/Entertainment System. You will be required to have a music/entertainment system approved by us installed in the Store, which will include streaming music (e.g., Pandora) throughout the Store and at least 1 flat-screen TV/DVD player to show videos.

[16] Uniforms. You must purchase from our affiliate a sufficient number of "Detail Garage" logo T-shirts for each employee at the Store. Our logo T-shirts cost approximately $10 each and our professional button-up shirts cost approximately $35 each. This range covers the cost of uniforms for 2 to 4 individuals.

[17] Grand Opening Expenses. You must spend no less than $1,500 on advertising, media, public relations and other items to support the Store's Grand Opening.

[18] Additional Funds. This is an estimate of certain funds needed to cover your business (not personal) expenses during the first three (3) months of operation of the Store. These expenses include initial employee wages, management compensation (but not any draw or salary for you), ongoing purchases of equipment and supplies, marketing fees, continuing improvement of the Store's physical features, local advertising, utilities, repairs and maintenance. Your cost will depend upon your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; competition; and sales of the Store during the period. This estimate is based on the experience of the owners of our affiliates in owning and operating Detail Garage Stores for more than 12 years.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods

You must purchase your auto detailing products, including, waxes, polishes, cleansers, accessories, and other related supplies and equipment (collectively, the "Products") from suppliers that we approve ("Approved Suppliers"), or under specifications in the Manual. You must purchase the Products in the reasonable quantities that we designate. Currently, we require you to hold at least $40,000 in inventory each month. You must replenish sold out inventory promptly.

Required and Approved Suppliers

You must purchase the CHEMICAL GUYS, SMART WAX and other affiliate-owned auto-detailing brand products that we require you to sell in the Store from our affiliate, Smart, LLC, who is currently the only Approved Supplier of these products to Detail Garage Franchisees. Up to 10% of the total catalog of inventory offered to our franchisees by Smart, LLC may not be available at any given time due to shortages

as a course of normal business. This does not apply to supply chain interruptions due to circumstances outside of Smart, LLC's control, such as, manufacturing bottlenecks, supplier delays, natural disasters, pandemics, quarantine restrictions, etc. Under such circumstances, your inventory orders may be delayed or unfulfilled for an indefinite period of time.

You must purchase your furniture, fixtures, and supplies that we require you to use in designing the Store from us. We are currently the only Approved Supplier of the Furniture, Fixtures and Supplies Package, which you will purchase from us prior to opening your Store.

You must follow the standards and specifications we periodically establish for certain other equipment, supplies, computer hardware and software, and indoor and outdoor signs required for your Store. You must purchase from Approved Suppliers and suppliers who meet our quality specifications.

We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our business judgment. These suppliers may include, and may be limited to, us or an affiliate of ours. Other than the above-mentioned products sold by our affiliate Smart, LLC, and the Furniture, Fixtures, and Supplies Package you are required to purchase from us, neither we nor our affiliates are currently an Approved Supplier of any other products or services that you are required to purchase. On notice by us, you will immediately cease and desist from using/offering any products, equipment, and/or services otherwise not authorized by us. (Franchise Agreement, Section 8.4)

We have designated an Approved Suppler for Store Design that you must hire and use in designing the Store and putting together your Furniture, Fixtures, and Supplies Package.

We do not currently have Approved Suppliers for architecture, engineering or project management. However, you must receive our approval before hiring anyone.

Approval of Alternate Suppliers

You can request the approval of an item, product, service or supplier by notifying us in writing and submitting such information and/or materials we may request. You must pay us for any reasonable costs we incur in connection with our review and evaluation of any proposal, including reimbursement for travel, accommodations and meal expenses, plus an additional 15% to cover our administrative overhead costs. We will notify you in writing of our approval or disapproval within 30 days after you make a written request. (Franchise Agreement, Section 8.4C.)

We may condition and/or revoke our approval of particular items or suppliers as we choose. Our criteria for supplier approval are available to you upon request. Designation of a supplier may be conditioned on factors established by us in our business judgment, including, without limitation, performance relating to quality of results, accuracy of results, frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may approve, or revoke or deny approval, of particular items or suppliers in our business judgment. We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our business judgment. There is no assurance that we will designate more than one supplier for any item, including items for which we are the only designated supplier.

Our specifications and standards for purchasing are in the Manual, as modified periodically.

Approvals of an alternative supplier, or any supplier, may be revoked by us at any time, in our sole discretion, for reasons that include, but are not limited to, quality and service deficiencies by the supplier, a desire to consolidate purchases with a different supplier, financial problems or insolvency of the supplier, and other reasons. We will notify you in writing if we revoke approval of any alternative supplier and you must immediately cease and desist from using such supplier upon receipt of our written notice.

Insurance

You are obligated to obtain and maintain, at your sole expense, all of the insurance coverages that we require. Your policy or policies must be written by an insurance company licensed in the state in which you operate the Store. The insurance company must have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide, in accordance with standards and specifications set forth in the Manual. The standards may vary depending on the size of your Store and/or other factors, such as what is customary for businesses of your type in your area, but we typically require: (i) All "Risks" or "Special" form coverage insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Store; (ii) Workers' Compensation and Employer's Liability Insurance as required by law; (iii) Commercial General Liability Insurance with limits of $2,000,000 in the aggregate, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; products/completed operations; and medical payments and fire damage liability; insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the franchised business; (iv) if you have company-owned vehicles, automobile liability insurance for owned and non-owned automobiles including personal injury, wrongful death, and property damage with single limit coverage of at least $1,000,000; and (v) Cyber Liability Insurance with a minimum coverage amount as set forth in the Manual and/or otherwise determined by Franchisor and communicated to Franchisee.

We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. We will provide you with written notice of any change in our insurance requirements. You will have 60 days from receipt of such notice to revise your coverage, as specified in the notice.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

Computer System

You must acquire the Computer System that we specify, including computer hardware and software, business management systems, voicemail, and a POS reporting system. The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. The Computer System is described in more detail in Item 11 of this Disclosure Document.

Credit Cards

You are required to honor all credit, charge, courtesy and cash cards that we approve in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at the Store, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in your possession or control and in the possession or control of any of your employees that you engage to process credit cards. You must, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all your employees. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must immediately notify us in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion.

Our Ownership Interest in a Supplier

Our Co-Founders, David Knotek and Paul Schneider, own an interest in the following two Approved Suppliers: (1) Smart, LLC, the Approved Supplier of the CHEMICAL GUYS and SMART WAX brands of auto detailing products required to be sold at the Store, and (2) Detail Garage, LLC, the Approved Supplier of the Furniture, Fixtures, and Supplies Package required to design the Store.

Revenues from a Supplier

In the future, we may receive revenues from approved supplier(s), although the basis for determining the amount of such revenues has yet to be determined. We have the right to receive promotional allowances and rebates, commissions, and other consideration from suppliers.

Revenue from Franchisee Purchases

We will derive revenue from our franchisees directly purchasing their furniture, fixtures, and supplies from us.

During our fiscal year ended December 31, 2020, we did not receive any revenue or other material benefits from required purchases or leases by you. Based upon the operating results of our affiliate-owned Detail Garage Stores, we estimate that your required purchases or leases from approved sources will represent 80% of your overall purchases in connection with the establishment of the Store and 90% to 100% of your overall purchases in connection with the ongoing operation of the Store.

For the fiscal year ended December 31, 2020, our affiliate Smart, LLC received $14,100,000 in revenue from required purchases by Detail Garage franchisees of CHEMICAL GUYS and SMART WAX products and employee uniforms. The sources of this information are the financial books and records of Smart, LLC. The purchase of CHEMICAL GUYS and SMART WAX products and employee uniforms from Smart, LLC will represent approximately 31% to 38% of your initial investment and approximately 50% to 75% of your ongoing expenses.

Cooperatives

We do not currently operate or sponsor any purchasing cooperatives, nor do we plan to organize

any in the future. When possible, we attempt to negotiate bulk purchasing discounts with suppliers on behalf of our franchisees.

Material Benefits

Other than demonstrating compliance with System Standards, and adherence to the Manual, your use of an Approved Supplier will have no bearing on your right to purchase additional franchises, or to exercise any option to renew an existing franchise.

Negotiated Prices

We may negotiate volume purchase agreements with some vendors or Approved Suppliers for the purchase of goods and equipment needed to operate the Store.

Area Development Agreement

The Area Development Agreement does not require you to buy or lease from us or any designated or approved suppliers, any goods, services, supplies, fixtures, computer hardware and software, or real estate, according to our specifications. However, you must follow our requirements under the Franchise Agreement for each Store you develop.

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 the Disclosure Document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Sections 1.2, 6.1, 6.2 and 7.2 of Franchise Agreement Section III(d) of Area Development Agreement	Items 11 and 12
b. Pre-opening purchases/leases	Sections 6.1, 6.2, 7.2 and 8.4 of Franchise Agreement None in Area Development Agreement	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Sections 6.1 and 6.2 of Franchise Agreement Section VI of Area Development Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Section 6.3 of Franchise Agreement None in Area Development Agreement	Items 6, 7 and 11
e. Opening	Sections 2.2 and 6.9 of Franchise Agreement None in Area Development Agreement	Item 11

Obligation	Section in Agreement	Disclosure Document Item
f. Fees	Sections 3.2, 5, 9.1 and 14.2 of Franchise Agreement Section III of Area Development Agreement	Items 5 and 6
g. Compliance with standards and policies / Operating Manual	Sections 1.2, 2.2, 4.2, 6.4, 6.6, 6.7, 7.1, 7.3, 7.4, 8.7 and 9.3 of Franchise Agreement Section VI of Area Development Agreement	Item 11
h. Trademarks and proprietary information	Sections 1.1, 4, and 12.1 of Franchise Agreement Section VII of Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.3, 2.1, 2.2, 7.1, 8.1 and 8.4 of Franchise Agreement None in Area Development Agreement	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.8 and 15.2 B(12) of Franchise Agreement None in Area Development Agreement	Not Applicable
k. Territorial development and sales quotas	Section 8.8 of Franchise Agreement None in Area Development Agreement	Item 12
l. Ongoing product/service purchases	Sections 8.4 and 10.4 of Franchise Agreement None in Area Development Agreement	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3.2 and 7.4 of Franchise Agreement None in Area Development Agreement	Items 6 and 17
n. Insurance	Section 10.5 of Franchise Agreement None in Area Development Agreement	Items 6, 7 and 8
o. Advertising	Sections 5.5 and 9 of Franchise Agreement None in Area Development Agreement	Items 6 and 11
p. Indemnification	Sections 8.5 and 11.2 of Franchise Agreement Section XII of Area Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 6.3 and 8.6 of Franchise Agreement None in Area Development Agreement	Item 15

Obligation	Section in Agreement	Disclosure Document Item
r. Records and reports	Sections 10.1 and 10.3 of Franchise Agreement Section VI(c) of Development Agreement	Item 11
s. Inspections and audits	Sections 8.2 and 10.2 of Franchise Agreement None in Area Development Agreement	Items 11
t. Transfer	Section 14 of Franchise Agreement Section IX of Area Development Agreement	Items 6 and 17
u. Renewal	Section 3.2 of Franchise Agreement None in Area Development Agreement	Item 17
v. Post-termination obligations	Sections 13.1 and 15.4 of Franchise Agreement Section X of Area Development Agreement	Item 17
w. Non-competition covenants	Sections 12.2 and 13 of Franchise Agreement Section X of Area Development Agreement	Item 17
x. Dispute resolution	Section 16 of Franchise Agreement Section XIX of Area Development Agreement	Item 17
y. Other: Guarantee of Performance	Section 2.2B. and Exhibit 4 of Franchise Agreement Section XX and Exhibit C of Area Development Agreement	Item 15

ITEM 10 FINANCING

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

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

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

A. **Pre-Opening Assistance**

Before you open the Store:

1. We will provide you with training within the 30 calendar-day period preceding the opening date of the Store. You, as the Designated Operator, or your proposed Store Manager (if approved by us) must attend and satisfactorily complete our initial training program. To satisfactorily completed our initial

training program, you must attend all the scheduled training and pass the written test given at the end of the training with a score of 87.5% or higher. If you do not satisfactorily complete the training, we may terminate the Franchise Agreement. At any time throughout the term of the Franchise Agreement, you fail to have any replacement or successor Designated Operator or Store Manager attend the mandatory training and be certified as meeting our requirements, we may charge you a Support Fee of $750 per day, plus travel and living expenses, until a replacement Designated Operator or Store Manager successfully completes our required training. You must pay for all expenses you and your Store Manager and other personnel incur for any training program, including costs of travel, lodging, meals and wages.

2. We will provide to you our current written Site Selection Guidelines. You will purchase or lease your Store location from an independent third party. Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location (including the population and income level of residents in the market area), aerial photography, size and other physical attributes of the location, shopping mall, tenant mix, proximity to residential neighborhoods and proximity to schools, shopping centers, entertainment facilities that attract consumers and generate traffic. We currently use SCOUT, Buxton's analytics mapping software, to assist you with site selection. If you locate a site, we will approve or disapprove of the site within 45 days after receipt of the Location Report from you. If we cannot agree on a site, we may extend the time for you to obtain a site, or we may cancel the Franchise Agreement. If you sign an Area Development Agreement, you will submit a separate Location Report for site approval for each Store to be established within your Designated Territory, and our then-current standards for site selection will apply.

3. Concurrently with the execution of your Franchise Agreement, we will loan you one copy of our confidential operations manual (the "Manual"), which contains mandatory and suggested specifications, standards and procedures, including the System's standards, specifications, and procedures (collectively, the "System Standards.") The Manual is confidential and remains our property. We may modify the Manual. (Franchise Agreement, Section 6.4) The Manual consists of approximately 285 pages. The Table of Contents of the Manual is attached to this Disclosure Document as **Exhibit E.**

4. Within 30 calendar days of execution of your Franchise Agreement, we will provide you (through the Manual or otherwise) with specifications for the layout and design of the Store (Franchise Agreement, Sections 6.2 and 7.1).

5. Within 30 calendar days of execution of your Franchise Agreement, we will provide you (through the Manual or otherwise) with a list of the auto detailing products and equipment, standard fixtures, furnishings, supplies, and signs to be used in the Store, as well as a list of the Approved Suppliers (Franchise Agreement, 6.6). We will sell and have delivered to you the furniture, fixtures, and supplies to design your Store. Other than the Furniture, Fixtures, and Supplies Package, we do not provide, deliver or install any of these items for or to you.

6. We will license you the use of our trademarks (Franchise Agreement, Section 4.2).

7. We will consult and advise you on the advertising, marketing and promotion for the grand opening of the Store.

8. We will conditionally commit to grant you (if you have signed an Area Development Agreement) a franchise for each Store that you develop under your Area Development Agreement, provided that you comply with the terms and conditions of that agreement and each of the Franchise Agreements between you and us. (Area Development Agreement, Sections I, III and IV)

We are not required to provide any other service or assistance to you before the opening of the Store.

B. **Typical Length of Time Before Operation:**

We will authorize the opening of your Store when (i) all of your pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due us have been paid, (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by us, and (v) all permits have been approved. The length of time between the signing of the Franchise Agreement and the opening of your Store must be within seven (7) months. In certain instances, and in our sole discretion, we may extend the opening time an additional three (3) months. If you are converting an existing auto detailing supplies business to a Detail Garage, you must complete the conversion and be open for regular, continuous business within sixty (60) days after the execution of the Franchise Agreement.

C. **Our Obligations During the Operation of the Franchised Business**

During the operation of the franchised business:

1. We will specify or approve certain equipment and suppliers to be used in the franchised business (Franchise Agreement, Sections 6.6 and 7.1).

2. We will provide additional training to you and any of your employees at your request. You are responsible for any and all costs associated with such additional training (Franchise Agreement, Section 6.3).

3. We may, subject to the laws in your state, require fixed minimum or maximum prices for any products or services offered at the Store. We will take into account cost differences among regions and localities. You must use the pricing required by us, unless we consent to changes in local pricing offered by you. (Franchise Agreement, Section 6.7)

4. If you do not obtain and maintain appropriate insurance coverage, we may procure the coverage on your behalf. We will pass the cost onto you. (Franchise Agreement, Section 10.5D)

5. We may institute various programs for auditing customer satisfaction and/or other quality control measures (Franchise Agreement, Section 8.2).

6. We (or our designee) will maintain and administer a national advertising and marketing fund (the "Marketing Fund") (Franchise Agreement, Section 9.1).

7. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the Store for which we have not established Approved Suppliers. (Franchise Agreement, Section 6.5)

The Marketing Fund and Advertising

We have established a Marketing Fund. You will contribute a monthly sum equal to 0% to 3% of your Gross Sales to the Marketing Fund for regional and national advertising and marketing services ("Marketing Fund Contribution"), beginning from the day the Store is first opened for business. The current Marketing Fund Contribution is 3%. We will manage the Marketing Fund and have sole discretion over all matters relating to it. Detail Garage Stores owned by us or our affiliates are not obligated to contribute to the Marketing Fund.

We will direct all public relations, advertising and promotions with sole discretion over the message, creative concepts, materials and media used in the programs and the placement and allocation thereof. We will pay for these activities from the Marketing Fund. The Marketing Fund contributions may be used for traditional advertising activities, such as website development, social media, public relations, advertising campaigns (television, radio, print or other media), or other promotions which will raise awareness of the Detail Garage brand.

We have no obligation to ensure that Marketing Fund Contributions are spent on advertising in your market area or territory, and we have no obligation to ensure that your Detail Garage Store benefits directly or on a pro rata basis from the placement of any advertising.

No funds in the Marketing Fund are used for advertising that is principally a solicitation for the sale of franchises, but we may include a brief statement regarding the availability of Detail Garage Franchises in advertising and other items produced using the Marketing Fund. (Franchise Agreement Section 9.1.B)

Reasonable disbursements from the Marketing Fund will be made solely for the payment of expenses incurred in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising and promotional campaigns; and the reasonable costs of administering the Marketing Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. We are not required to audit the Marketing Fund and financial statements will not be made available for you to review. We will prepare at the beginning of each year, and furnish to you upon written request, a marketing plan and forecasted budget for the Marketing Fund for the year.

We are not required to spend all Marketing Fund contributions in the fiscal year they are received.

You agree to participate in all Marketing Fund programs. The Marketing Fund may furnish you with marketing, advertising and promotional materials; however, we may require that you pay the cost of producing, shipping and handling for such materials.

During the fiscal year ended on December 31, 2020, the Marketing Fund spent 6% of its contributions on production, 3% on media and public relations, 20% on administrative expenses, and 71% on internet related matters.

We are not obligated to spend any amount on advertising in your area or territory. You are responsible for local marketing activities to attract customers to your Store. You may develop advertising materials for your own use, at your own cost. You must submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise, that you propose to use. We have the right to

approve or disapprove your use of such advertising. You must not use any materials or programs disapproved by us. You must first obtain our advanced written approval before any form of co-branding, or advertising with other brands, products or services. (Franchise Agreement, Section 9.2)

You must strictly follow the social media guidelines, code of conduct, and etiquette as set forth in the Manual regarding social media activities. We will own and control all Social Media pertaining to the Detail Garage Stores and brand, including, but not limited to, any account in which the username or profile name includes the Detail Garage trade name, any of the Marks, or any confusingly similar terms. We will set up and establish individual accounts for each Detail Garage Store on Social Media (e.g., Facebook, Instagram, etc.) and provide you with access to such account(s). Any use of Social Media by you pertaining to the Store must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. You will promptly modify or remove any online communication pertaining to the Store that does not comply with the Franchise Agreement or the Manual. (Franchise Agreement, Section 6.10)

For regional trade shows, convention center activities, county fairs, and other similar promotional events that may take place in one franchisee's territory, but draw an audience from a wide geographic area, we will determine which franchisee or franchisees may participate, present and advertise at such shows, regardless of whether the actual activity takes place in a protected territory. We will either allow equal participation at such events, or rotating participation among several franchisees over a period of years, or, if you decline to participate in a trade show or other activity in the Protected Radius or Authorized Territory, we may permit other franchisees to participate. (Franchise Agreement, Section 9.3)

We have not yet established a local or regional advertising cooperative. We may, in the future, decide to form one or more associations and/or sub-associations of Detail Garage Stores to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering your area, then you must join and actively participate. You may be required to contribute such amounts as are determined from time to time by such Co-Ops. (Franchise Agreement, Section 9.4)

We reserve the right, if necessary and in our sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of Detail Garage Franchisees for the purpose of providing us with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority. We have the power to form, change, or dissolve any such advertising council. (Franchise Agreement, Section 9.5)

E. **Training:**

Within the 30 calendar-day period preceding the opening of your Store, we will provide you and your Store Manager with a mandatory Initial Training Program at our training facility, Smart Detailing University ("SDU"), which is located at our headquarters. We do not charge you a fee for the Initial Training Program if you and your Store Manager receive training at the same time. If the franchisee is a business entity, then the Designated Owner(s) named in the Franchise Agreement or the Store Manager must successfully complete the Initial Training Program at SDU and any additional required training, and must also comply on an ongoing basis, annually or as required, with all training requirements. Subject to availability, and with our approval, you may have additional employees attend SDU, simultaneously with you, at no additional charge. However, you are responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with training for you and your employees.

The length of our Initial Training program is approximately 2 weeks, or for any other time-period as we select in our sole discretion, with a combination of classroom training at SDU, or other location we designate, and on-the-job training at a Store owned by our affiliate or at another training facility that we designate. The training covers the basic aspects of establishing and operating a Detail Garage Store, including retail sales techniques, classroom/workshop training, the POS reporting system, the Computer System, forms, cost control, purchasing, inventory control and disposition, customer service, marketing, selling skills, employee hiring, training and scheduling procedures, job functions and maintenance of quality standards. You and/or your Store Manager must attend all scheduled training days and times and must satisfactorily complete the Initial Training Program before your Store opens. To satisfactorily complete the Initial Training Program, you must pass the written test given at the end of the training by correctly answering 35 of the 40 questions (87.5%) on the test.

Training requirements are communicated and updated through periodic memos, publications and manuals. The following is an outline of the current training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Chemical Guys/Detail Garage • Brand Intro • Lifestyle Intro • Professional sales and marketing strategies • Up selling and cross-selling • The Power of Education	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Understanding Detailing Chemicals • Compounds • Polishes • Waxes • Sealants • Cleaners • Dressings • Paint Technology	4		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Understanding Equipment and Tools of the Trade • High-speed buffing • Orbital polishing • Hot water extractor • Pressure washers • Eco-friendly systems • Buffing Pads • Microfiber Towels, etc.	4		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Hands on Training (Hoods) • Proper Washing Techniques • Intro to Foam Cannon/Foam Blaster • How to Clay • Polishing and Buffing • Sealants and Coatings • Interior Cleaning & Protection	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Hands on Training (Cars) • Clay Bar • Polishing and Buffing • Sealants and Coatings • Interior Cleaning & Protection	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Hands on Training • Headlight Restoration • Ceramics	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Rides & Coffee		6	Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Introduction to Detail Garage • Brand Intro • DTC Team • Channel Alignment • Funnel	4		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
SHINE Customer Service Model • SHINE • People • Presentation • Mystery Shop	2		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
In Store Experience • See SHINE in action • Basic Lightspeed Ringing		2	Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)

Retail Operations
• Business Planning
  ○ Sales Planning Tool
  ○ Operational Expenses
• Operations
  ○ P&P Manual
  ○ FranConnect
  ○ Daily Operations
	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
○ Lightspeed – Opening/Closing, Backend Functions, Reports ○ Promos/COGS/Vendor Rebate ○ Workforce Management • NSO ○ Account Setup ○ Receiving Opening Inventory ○ Grand Opening			
Inventory & Order Management • Initial Order • DG Wholesale Site & Order Process • Inventory Reports	4		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Accounting • Invoices • Net Terms • Royalty & Marketing Fees	2		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Marketing • Classes • Store Events • Marketing Fund Requests • Field Marketing • Kangaroo	8		Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Marketing • National Marketing Fund • Buxton/Customer Profiles • Scout • DTC Marketing Calendar • Social Media Guidelines • Facebook • Instagram • Falcon • LSMx • Search Engine Optimization (Google My Business, MapRanks, Yelp)			Smart Detailing University located at our headquarters in Gardena, California (or at a location later designated by us)
Hands on Training/Grand Opening Support		40	At your Store
TOTAL	**68**	**48**	

Chad Zani, whose biography is listed in Item 2, is in charge of the training program. He has over 16 years of experience in the auto detailing supplies industry and has 4 years of experience with us. We

normally conduct our training once per month, as needed. Our primary instruction is through hands-on training, videos, the Manual and other instructional materials we prepare specifically for the Detail Garage Training Program.

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we reserve the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences. (Franchise Agreement, Section 6.3 A.)

Ongoing/Refresher Training

From time to time, we may offer system-wide ongoing or refresher training to the Detail Garage Franchisees for a reasonable fee or at no charge, such training may include updates on new products, courses, meetings, seminars and conventions. Currently, we offer additional training online through screen-share technology at no cost to you. You must personally attend or have your designated Store Manager (if approved by us) attend any and all required ongoing or refresher training, annually, or as required. We currently charge $500 to $1,500 per day for ongoing or refresher training. In addition to paying any required training fee(s), you will be responsible for all compensation, travel and living expenses for you and/or your Store Manager during training. (Franchise Agreement, Section 6.3B.)

F. **Computer System - Hardware and Software**

You must acquire the Computer System that we designate, which includes two computers and cash registers, and a POS reporting system, certain electronic data processing and communications hardware and software, a voicemail system, dedicated telephone and power lines for use in the operation of the Store. You must record all of your receipts, expenses, invoices, customer lists, employee schedules, scheduled classes/workshops, and other business information promptly in the Computer System and use the software that we specify or otherwise approve. Currently, we require you to use an online POS System provided by Lightspeed, a loyalty-marketing platform provided by Kangaroo, and a cloud-based, payment processing platform provided by Cayan. You will pay us monthly for the Lightspeed POS software. You will pay the approved suppliers for the other required software programs directly for their services and use of their software. The details of these standards and requirements will be described in the Manual or otherwise in writing and may be modified in response to changes in marketing conditions, business operating needs, or technology.

You must allow our Approved Supplier to upgrade the proprietary database configuration of the required software for the computer in your Store as we determine necessary. Our approved supplier may provide you periodic updates to maintain the software and may charge a fee for preparing the updates and maintaining the software. There are no limitations on the frequency and cost of the updates. The system is designed to enable us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. We will have independent access to information you generate and store in your Computer System, including full and unrestricted administrative access to your business, tax, and accounting information.

You must purchase or lease, and thereafter maintain, the Computer System hardware and software, including the POS system, dedicated high speed communications equipment and services, dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as we may specify, for the purpose of, among other functions, recording Store sales,

ordering inventory, and other functions that we require. You must provide such assistance as may be required to connect your Computer System with a computer system used by us. We will have the right, on an occasional or regular basis, to retrieve such data and information from your Computer System as we, in our sole and exclusive discretion, consistent with consumer privacy laws, deem necessary, including full and unrestricted administrative access to your business, tax, and accounting information. You must operate your Computer System in compliance with certain security standards specified by use, which may be modified at our discretion from time to time. In view of the interconnection of computer systems and the necessity that such systems be compatible with each other, you expressly agree that you will strictly comply with our standards and specifications for all item(s) associated with your Computer System, and will otherwise operate your Computer System in accordance with our standards and specifications.

To ensure full operational efficiency and optimum communication capability between and among computer systems installed by you, us, and other Detail Garage Franchisees, you agree, at your expense, to keep your Computer System in good maintenance and repair, and following our determination that it will be economical or otherwise beneficial to the System to promptly install such additions, changes, modifications, substitutions and/or replacement to your computer hardware, software, communications equipment and services, telephone and power lines, and other computer-related facilities, as we direct.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new Detail Garage Stores, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. The cost of the Lightspeed POS software is $238.25 per month, and the cost of the Kangaroo software is approximately $149 per month. The approximate cost of the Computer System, including 2 computers, 2 cash registers, the POS system, and software, ranges from $6,500 to $8,050. The approximate cost of any annual upgrades or updates, including the POS System software, support contracts, and maintenance costs are estimated to be approximately $750 to $1,800 per year, which costs you will pay directly to the approved supplier.

We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.

ITEM 12 TERRITORY

Franchise Agreement

You will operate the Store at a specific location approved by us (the "Authorized Location"). You must receive our permission before relocating the Store. If we consent to you relocating the Store, the new Authorized Location must be within the same Designated Market Area (specifically defined in Section 1.3 of the Franchise Agreement) in which the Store was located. You must sign our standard form of general release upon any relocation. You will bear the sole expense of relocating the Store, and we have the right to charge you a reasonable fee for our services in connection with any such relocation.

So long as you are in good standing, you may receive a non-exclusive protected radius around your Store's Authorized Location. Depending on a number of factors, the protected radius may be up to 5 miles around the Authorized Location, unless the Store is located in a densely populated urban environment, such as a downtown metropolitan area, and, in such case, the protected radius will be less than 1 mile from the primary customer entrance of the Store. We will analyze a market or territory using SCOUT, an analytics mapping software by Buxton, and evaluate factors including population density, income, traffic patterns,

number of residences versus businesses, and will determine with you, prior to executing the Franchise Agreement, the protected radius you will receive.

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.

If you have been granted a protected radius, neither we nor our affiliates will operate or establish, or authorize another Detail Garage Franchisee to operate or establish, a Store within your protected radius. You may face competition from other franchisees, from Detail Garage Stores that we own, or from other competitive brands that we control outside your protected radius.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Detail Garage Stores, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Detail Garage Stores or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to the Premises and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future. You do not have any options or rights of first refusal or similar rights to acquire additional franchises within your protected radius or any contiguous territories.

We expressly reserve all other rights, and can (along with anyone we designate):

(1) own and/or operate, and/or authorize others to own and/or operate any kind of business using the Marks we have licensed to you, whether or not using the same Mark; including, without limitation, other franchises, whether or not using the same Mark and System licensed to you.

(2) develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using the System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere.

(3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the Detail Garage Marks and System). You may be responsible for any reasonable conversion costs.

Internet Sales / Alternative Channels of Commerce

We and our affiliates may sell products and services to customers located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Store. We may use the internet or alternative channels of commerce to sell Detail Garage, CHEMICAL GUY and SMART WAX brand products and services. We will not compensate you for orders we solicit or accept from inside your protected radius. You may only sell the products and services from your approved Store location. You may not use the internet or alternative channels of commerce to offer or sell the products and services. You are required to submit to us samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise, that you propose to use. We retain the right to approve or disapprove of such advertising, in our sole discretion. We will own and control all Social Media pertaining to the Detail Garage Stores and brand, including, but not limited to, any account in which the username or profile name includes the Detail Garage trade name, any of the Marks, or any confusingly similar terms. We will set up and establish individual accounts for each Detail Garage Store on

Social Media (e.g., Facebook, Google+, etc.) and provide Franchisee with access to such account(s). We will retain control and ownership of all accounts related to the Store throughout the term of the Franchise Agreement and after its termination. Any use of social media by you pertaining to the Store must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. At our request, you will promptly modify or remove any online communication pertaining to the Store that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining customers over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Performance Standards

A. System Standards. We may choose, in our sole discretion, to evaluate your Store for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service. You must respond quickly to any and all negative reviews/criticisms pertaining to the Store on Social Media, and must maintain a certain minimum level of positive reviews for each business rating system on Social Media (e.g., 3.5 stars on Yelp!), as set forth in the Manuals and elsewhere by us. (Franchise Agreement, Section 8.9A)

B. Minimum Sales Quota. Unless waived by us due to unique market conditions or the Store's size, you must meet a certain Minimum Sales Quota at the end of each year of the Store's operation under the Franchise Agreement. If you fail to achieve minimum Gross Sales in the amount of $350,000 by the end of the first year, and $450,000 by the end of each year thereafter remaining in the term of the Franchise Agreement (i.e., 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 10th year), we may institute a corrective training program and/or require you to perform additional local marketing. If you fail to meet the Minimum Sales Quota for twenty-four (24) consecutive months at any time during the term of the Franchise Agreement, we may institute a mandatory corrective training program or terminate the Franchise Agreement at our sole discretion. (Franchise Agreement, Section 8.9B.)

You may not relocate the Store to any other location without our prior written consent. If we approve any relocation of the Store, you must de-identify the former location. If you fail to de-identify your former Store, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorney's fees, arising out of your failure to de-identify.

Area Development Agreement

The "Designated Territory" under an Area Development Agreement may be defined by zip code boundaries, county boundaries, highways, physical landforms, city or municipality boundaries and other factors we deem appropriate, and will have a minimum area of approximately 10 – 15 miles. You will receive no exclusive rights to the Designated Territory. So long as you are in good standing and in compliance with the Area Development Agreement, we will not establish or license another to establish a Detail Garage Store in the Designated 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.

We reserve the right to:

(1) establish and operate, and allow others to establish and operate, Detail Garage

Stores using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by Detail Garage Stores, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(3) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Detail Garage Stores, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Detail Garage Stores customarily sell;

(4) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Detail Garage Stores, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Detail Garage Stores, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(6) engage in all other activities not expressly prohibited by the Area Development Agreement.

We are not required to pay you if we exercise any of the rights specified above inside your Designated Territory.

You will submit a separate Location Report to us for site approval for each Detail Garage Store to be established within your Designated Territory as provided in your Area Development Agreement. Our then-current standards for site selection will apply. We will accept or reject the site within 45 days after receipt of the Location Report from you. If we approve your proposed site, it will become the Authorized Location for the Store. Upon the signing of a Franchise Agreement for each Store developed, we will define your protected radius, as described above in this Item 12 under the heading, "Franchise Agreement." Our then-current standards for site selection and protected territories will apply.

We may reduce the number of Detail Garage Stores to be developed in your Designated Territory if you fail to (i) meet the development schedule under your Area Development Agreement, (ii) fail to comply with any other term or condition of your Area Development Agreement, or (iii) fail to comply with any individual Franchise Agreement between you and us.

ITEM 13 TRADEMARKS

We grant you the right to operate a Store under the trade name "Detail Garage". You may also use other current or future trademarks to operate your Store that we designate. By trademark, we mean trade

names, trademarks, service marks, and logos used to identify your Store. The following Marks are registered on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration No.	Registration Date	Class
	4968014	May 31, 2016	003
	4968015	May 31, 2016	35
	4968016	May 31, 2016	37
CHEMICAL GUYS (Word Mark)	3444673	June 10, 2008 Renewed December 27, 2017	003
SMART WAX (Word Mark)	2819866	March 2, 2004 Renewed February 12, 2014	003
TORQ	5439808	April 3, 2018	007
HEX-LOGIC	5006222	July 26, 2016	021
A COMMUNITY OF PEOPLE WHO CARE ABOUT CARS	5650788	January 8, 2019	035

Affidavits of use and incontestability will be filed at the time specified by law.

There are no presently effective determinations of the United States Patent and Trademark Office, the Trademark Administrator of any state, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any state. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the System.

You must follow our rules when you use the Marks. You cannot use the "Detail Garage" name or any of the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not use any other trade names or trademarks in the operation of the Store without first obtaining our written consent. You must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

If it becomes advisable, in our sole discretion, for us to modify or discontinue use of any of the Marks, or use one or more additional or substitute Mark, you must comply with our directions to modify or otherwise discontinue the use of such Mark within a reasonable time after notice by us. We will not be obligated to compensate you for any costs it incurs in connection with any such modification or discontinuance.

You cannot seek to register, re-register, assert claim to ownership of, license or allow others to use or otherwise appropriate to itself any of the Marks or any mark or name confusingly similar to them, except insofar as such action inures to our benefit and has our prior written approval. Upon the termination or cancellation of the Franchise Agreement, you must discontinue use of the Marks, remove copies, replicas, reproductions or simulations thereof from the premises and take all necessary steps to assign, transfer, or surrender to us all Marks which you may have used in connection with the Franchise Agreement.

You must immediately notify us of any apparent infringement of or challenge to your use of the mark. Although not obligated to do so, we or our affiliate will take any action deemed appropriate and will control any litigation or proceeding. You must cooperate with any litigation relating to the Marks, which we or our affiliate might undertake.

There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks. We have no knowledge of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we and/or our affiliate claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

There currently are no effective determinations of the Copyright Office (or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. Other than the agreement with our affiliate, no agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

In general, our proprietary information includes “Confidential Information” as defined in Section 12 of the Franchise Agreement, some of which is contained in our Manual, and includes, among other things, all information (current and future) relating to the operation of the Store or the System, including, among other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of the Detail Garage Stores; (ii) designs, specifications and information about products and services and (iii) all information regarding customers and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of a Detail Garage Store, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Store under a Detail Garage Franchise Agreement; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed,

any unauthorized copies of any portion of the Confidential Information; and (iii) follow all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information. (Franchise Agreement, Section 12)

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Store that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to the franchise business that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation.

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

The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the "Designated Operator(s)") of the franchised business. The Designated Operator(s) (there may be up to two such individuals but only one address to which we communicate in regards to the franchise) named has the authority to act for you in all matters relating to the Detail Garage Franchise, including voting responsibilities. By signing the Franchise Agreement, you and the Designated Operator(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities, which must be fully disclosed prior to signing the Franchise Agreement, in which you or your Designated Operator(s) may be involved, we may require you or your Designated Operator(s) to sign additional confidentiality and non-competition agreements.

You are required to personally manage the Store during the first 6 months of operation. After the first 6 months, we do not require, but do strongly recommend, that you (or the Designated Operator) personally supervise the Store. You may designate a Store Manager who has successfully completed our training program and meets our then-current standards to assist in the direct, day-to-day supervision of the operations of the Store, or to be the on-premises supervisor if you choose not to personally supervise the Store. If you are a business entity, your designated Store Manager need not hold an ownership interest in the business to be the on-premises supervisor.

You are solely responsible for the hiring and management of the Store employees, for the terms of their employment and for ensuring their compliance with any training or other requirements established by us. You will keep us advised, in writing, of any general manager involved in the operation of the Store and their contact information.

You and your employees must comply with the confidentiality provisions described in Item 14. You must sign a personal guaranty concurrently with the signing of the Franchise Agreement. If you are a legal entity, having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 10% or greater interest in the franchised business must sign a personal guaranty. (Section 2.2B of the Franchise Agreement)

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell, only and all those products and services, and deal only with those suppliers, that we authorize or require, and have authorized (See Item 8). Principally, this means you must

purchase the amount and type of auto detailing products, supplies, accessories and equipment that we authorize. Failure to comply with our purchasing restrictions can (and probably will) result in the termination of your Franchise Agreement.

You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We reserve the right to change the types of authorized products and services at any time in our discretion. You agree to promptly undertake all changes as we require from time to time, without limit; except, we will not require you to thoroughly modernize or remodel the Store no more than once every 5 years. You will not make any material alterations to your Store or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising, or promotional practice that is unethical or may be injurious to our business and/or other franchised businesses or to the goodwill associated with the Marks (Franchise Agreement, Section 4.2).

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 3.1	The term is 10 years from the date the Franchise Agreement is signed.
b. Renewal or extension of term	Section 3.2	You have the option to extend the term for two consecutive 5-year periods.
c. Requirements for franchisee to renew or extend	Sections 3.2, 3.3, and 3.4	You have complied with all of the Franchise Agreement provisions; you are not in default of the Franchise Agreement; you have brought the Store into compliance with our current standards; you have given us notice of renewal; you have signed a then-current form of Franchise Agreement; and you have signed a general release in substantially the form of **Exhibit F** to this Disclosure Document. You must give us notice of your intent to renew no less than 90 days or more than 180 days before the Franchise Agreement expires. The new Franchise Agreement may contain terms and conditions that are materially different from your original Franchise Agreement. We charge a renewal fee of $5,000.
d. Termination by franchisee	Section 15.1	You may terminate the Franchise Agreement for cause if you are in compliance and we

Provision	Section in Franchise or Other Agreement	Summary
		materially breach the Franchise Agreement and fail to cure within 30 calendar days of receiving your written notice (subject to applicable state law.)
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Section 15.2 and 15.3	We may terminate the Franchise Agreement upon delivery of notice to you if you default under the terms of the Franchise Agreement. A default by you under the terms and conditions of the Franchise Agreement, Area Development Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
g. "**Cause**" defined – curable defaults	Section 15.2B	The following constitute curable defaults: you fail to comply with the Performance Standards; or refuse to make payments due and do not cure within 10 business days; or fail to comply with any provision of the Franchise Agreement not otherwise mentioned in (h.) below or any mandatory specification and do not cure within 10 calendar days or 30 calendar days. A default by you under the terms and conditions of the Franchise Agreement, Area Development Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
h. "**Cause**" defined – non-curable defaults	Section 15.2A	The following events constitute non-curable defaults: failure to properly establish and equip the premises; failure to complete training; make a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony, or other crime or offense that can adversely affect the reputation of you, us or the Store; make unauthorized disclosure of confidential information; abandonment of the business for 2 consecutive days or more, unless otherwise approved; surrender of control of the business; unauthorized transfer; you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; your misuse of the Marks; failure on 3 occasions

Provision	Section in Franchise or Other Agreement	Summary
		within any 12 consecutive month period to pay amounts due, or otherwise to comply with the Franchise Agreement; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; violating the rights and restrictions of your territory, or operating a competing business. A default by you under the terms and conditions of the Franchise Agreement, Area Development Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
i. Franchisee's obligation on termination/non-renewal	Sections 12, 13 and 15.4	Your obligations include: stop operations of the Store; stop using the Marks and items bearing the Marks; stop using "Detail Garage" in any form as part of your corporate name; assign any assumed names to Company; de-identify the premises from any confusingly similar decoration, design or other imitation of a Store; stop advertising as a Detail Garage Franchise; pay all sums owed; pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return the Manual and other confidential information to us; return all signs to us; assign your telephone and facsimile numbers, electronic mail and internet addresses to us; sell to us, at our option, all assets of the Store, including inventory, equipment, supplies and items bearing the Marks; and comply with the covenants not to compete.
j. Assignment of contract by franchisor	Section 14.7	We may sell or assign some or all of our business to any subsidiary or affiliate of Detail Garage, LLC, any purchaser of Detail Garage, LLC, or any purchaser of the Marks and related business.
k. "Transfer" by franchisee definition	Section 14.1	You may sell or assign your business, but only with our approval. We have sole discretion over whether to approve or disapprove an assignment.
l. Franchisor approval of transfer by franchisee	Sections 14.1 and 14.3	We have the right to approve all your transfers. We may place reasonable conditions on our approval of any transfer.

Provision	Section in Franchise or Other Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 14.3	You must be in compliance with all agreements, the Manual, all contracts with any party, and transferee must assume all obligations under these agreements; transferee meet our then-current requirements and complete or agree to complete our training program for new franchisees; all sums due must be paid; Franchisee must pay us a transfer fee and sign a general release (which shall be substantially similar to the form of General Release attached as Exhibit F); all obligations to third parties must be satisfied; the Store must be in full compliance with the Manual and standards and specifications for new Detail Garage Stores; the transferee must satisfactorily complete training.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.2	We have right to match offer.
o. Franchisor's option to purchase franchisee's business	Section 15.4 l	We have the option**,** exercisable by giving 30 days written notice to purchase any and all inventory, equipment, furniture, fixtures, signs, sundries and supplies owned by you and used in the Store, at the lesser of (i) your cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Store. In addition, we have the option to assume your lease for the lease location of the Store, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as your lease.
p. Death or disability of franchisee	Section 14.4	Must be transferred within six (6) months.
q. Non-competition covenants during the term of the franchise	Section 13	You must not have any interest in any competitive business specializing, in whole or in part, in the sale of franchises or products that are the same as or similar to any product or service provided through the Store. These provisions are subject to applicable state law.

Provision	Section in Franchise or Other Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 13	You must not operate an auto detailing supplies business similar to the Detail Garage Store anywhere within a 5-mile radius from any existing Detail Garage Store for 2 years after termination. These provisions are subject to applicable state law.
s. Modification of the Franchise Agreement	Section 19	The Franchise Agreement can be modified only by written agreement between us and you. We can modify or change the System through changes in the Manual.
t. Integration/merger clause	Section 19	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law) and may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable. Nothing in this or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 16	Except for claims relating to the confidential information or the Marks, any claim arising out of or relating to the Franchise Agreement or the relationship of the parties, and any controversy regarding the establishment of the fair market value of assets of the Store is first subject to a face-to-face meeting, then non-binding mediation, and if unresolved, binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located. These provisions are subject to state law.
v. Choice of forum	Section 17.4	Any action that is not subject to arbitration must be brought in state or federal court in the county where Franchisor's then-current headquarters is located (subject to applicable state law.)
w. Choice of law	Section 17.3	California law applies (subject to applicable state law.)

AREA DEVELOPMENT AGREEMENT

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

Provision	Section in Area Development Agreement or Other Agreement	Summary
a. Length of the term of the Area Development Agreement	Section V	The rights granted under the Area Development Agreement expire on the date of our acceptance and signing of a Franchise Agreement for the last Store to be developed.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for developer to renew or extend	Not Applicable	
d. Termination by developer	Not Applicable	The Area Development Agreement does not contain a provision allowing you to terminate the Area Development Agreement for any reason. Your right to terminate is subject to state law.
e. Termination by franchisor without cause	Not Applicable	The Area Development Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Section VIII	If you are in default of the Area Development Agreement, we will have cause to terminate the Area Development Agreement. A default by you under the terms and conditions of the Area Development Agreement, the Franchise Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
g. "Cause" defined – curable defaults	Not Applicable	The Area Development Agreement does not provide for defaults which can be cured.
h. "Cause" defined – non-curable defaults	Section VIII	The Area Development Agreement will terminate automatically if you are adjudicated bankrupt or are otherwise involved in a bankruptcy proceeding, if a final judgment remains unsatisfied of record for 30 days or longer (unless bond is filed), if execution is levied against your business or property, if a mortgage or lien foreclosure suit is instituted against you and is not dismissed or in the process of being dismissed within 30 days, if you have failed to exercise options and enter

Provision	Section in Area Development Agreement or Other Agreement	Summary
		into Franchise Agreements with us according to your Development Schedule, failed to comply with any other term or condition of the Area Development Agreement, make or attempt to make an unapproved transfer or assignment of the Area Development Agreement, or if you fail to comply with the terms and conditions of any Franchise Agreement or other agreement between you and us. A default by you under the terms and conditions of the Area Development Agreement, the Franchise Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
i. Developer's obligations on termination/ non-renewal	Section VIII(d)	You will lose your options to establish an individual Store for which a Franchise Agreement has not been signed by us. A default under the Area Development Agreement will not be considered a default under the Franchise Agreement, unless specified otherwise. If you are in default of the Area Development Agreement but are not in default under any one or all of your Franchise Agreements, you may continue to operate the existing Store(s) under the terms of their separate Franchise Agreements.
j. Assignment of contract by franchisor	Paragraph IX(a)	No restriction on our right to assign except that assignee must be financially responsible and economically capable of performing our obligations under the Area Development Agreement and assignee must expressly assume and agree to perform these obligations.
k. "Transfer" by developer - defined	Section IX(c)	Includes transfer of assets and all rights under the contract or change of ownership.
l. Franchisor approval of transfer by developer	Section IX(c)	We have the right to approve all transfers by you, but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section IX(c)	For a transfer to a third party, the transferee must meet our qualifications, successfully complete the training program and sign the current Area Development Agreement. You

Provision	Section in Area Development Agreement or Other Agreement	Summary
		will pay all sums owed to us and sign an agreement containing general release, as well as pay our then-current transfer fee. You must give us 90 days written notice before any sale or assignment of the Area Development Agreement and 15 days written notice of any received offer to buy your interest in the Area Development Agreement. You must give simultaneous written notice to us of any offer to sell an interest under the Area Development Agreement made by you.
n. Franchisor's right of first refusal to acquire developer's business	Section IX(e)	We have the right of first refusal to purchase your ownership interest or assets which are for sale and for which you have received a good faith offer to purchase.
o. Franchisor's option to purchase developer's business	Section IX(e)	We have 15 days from notice of the offer to purchase your ownership interest or your assets at the same terms as contained in the offer.
p. Death or disability of developer	Not Applicable	See rows k., l. and m. above. While your death or disability is not specifically addressed in the Area Development Agreement, a transfer of shares upon the death of an owner of the area developer (or a transfer of the agreement upon your death if you are an individual) would be treated the same as any other transfer.
q. Non-competition covenants during the term of the franchise	Section X	You must not divert or attempt to divert any business or customer to a competitor, or perform any act which may harm the goodwill associated with the Marks and the System; employ or seek to employ any person then employed by us or another franchisee of a Store or otherwise cause that person to leave his or her employ; or own or otherwise have any interest in any "competitive business." You will also be bound by and comply with the covenants in each Franchise Agreement you sign with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. The term "Competitive Business" means any business

Provision	Section in Area Development Agreement or Other Agreement	Summary
		(other than a Detail Garage Store) principally offering products substantially similar to the products and services than being offered by the majority of the Detail Garage Stores. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Section X(b)	You must not own or operate a Competitive Business for 2 years after the Area Development Agreement is terminated within the Designated Territory or within a 5-mile radius of any Detail Garage Store. You will also be bound by and comply with the covenants in each Franchise Agreement signed with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. These provisions are subject to applicable state law.
s. Modification of the agreement	Section XVI	The Area Development Agreement can be modified only by written agreement between us and you.
t. Integration/merger clause	Section XVI	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside the Franchise Disclosure Document, Franchise Agreement, and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIX	Disputes/claims are first subject to a face-to-face meeting, then non-binding mediation, and if unresolved, binding arbitration before a single arbitrator in the county where our then-current headquarters is located. These provisions are subject to state law.
v. Choice of forum	Section XIX(e)	Any action will be brought in the appropriate state or federal court nearest to the county where Franchisor's then-current headquarters is located (subject to applicable state law.)
w. Choice of law	Section XIX(h)	California law applies (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 **Exhibit G,** State Specific Addenda, to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

We do not currently use any public figure or personality to promote the franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The charts below show the Gross Sales for each Company-Owned and Franchised Store for each of the last 12 months. These sales figures are derived from the actual historical performance of the Detail Garage Stores.

COMPANY-OWNED STORES

Store	Time Open	Jan. 2020	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020
Company 1	7 years	$154,771	$170,212	$150,565	$255,108	$418,022	$331,375	$346,223	$303,949	$255,768	$259,336	$225,444	$207,346
Company 2	5 years	$52,809	$58,276	$52,770	$78,941	$128,779	$93,963	$92,304	$79,980	$67,144	$74,631	$64,779	$64,294
Company 3	4 years	$39,379	$48,936	$39,622	$65,563	$100,787	$86,415	$74,257	$74,839	$61,068	$63,369	$58,446	$53,735
Company 4	4 years	$39,210	$44,756	$37,802	$62,604	$103,317	$82,338	$76,599	$70,119	$62,284	$57,268	$50,292	$53,821
Company 5	4 years	$124,740	$132,063	$147,993	$202,183	$292,056	$264,637	$199,241	$231,237	$211,783	$153,545	$179,443	$189,057
Company 6	4 years	$43,458	$49,551	$41,934	$66,011	$117,516	$102,032	$92,946	$85,070	$68,965	$54,884	$56,964	$37,564
Company 7	4 years	$29,134	$37,450	$29,394	$44,048	$78,076	$68,051	$66,416	$59,846	$53,686	$45,330	$49,474	$42,530
Company 8	3 years	$29,923	$27,813	$20,421	$15,780	$27,415	$29,585	$29,864	$20,694	*	*	$27,481	$26,182
Company 9	3 years	$51,437	$42,483	$29,986	$72,067	$85,811	$60,620	$32,580	$48,953	$48,827	$49,247	$43,289	$40,375
Company 10	3 years	$28,766	$28,883	$20,756	$5,702	$28,980	$31,426	$27,926	$21,912	*	$7,217	$45,567	$35,032
Company 11	2 years	$23,584	$19,842	$17,180	$6,292	$23,508	$24,583	$20,076	$16,775	*	*	*	$26,182
Company 12	2 years	$35,578	$44,096	$30,074	$49,684	$83,216	$75,718	$74,260	$71,123	$60,982	$64,231	$55,074	$48,999
Company 13	2 years	$16,313	$20,926	$17,013	$269	$35,840	$26,602	$16,500	$24,051	$25,892	$28,317	$22,534	$21,546

Store	Time Open	Jan. 2020	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020
Company 14	3 months										$20,957	$15,362	$14,072

* Store temporarily closed when we reacquired it from a franchisee.

FRANCHISED STORES

Store	Time Open	Jan. 2020	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020
Franchise 1	4 years	$59,466	$61,407	$60,210	$86,849	$148,301	$117,851	$125,202	$104,681	$102,026	$83,712	$85,032	$73,428
Franchise 2	4 years	$31,685	$37,381	$48,756	$82,565	$116,318	$107,113	$110,782	$101,592	$76,725	$68,601	$37,772	$37,616
Franchise 3	4 years	$18,967	$30,171	$27,743	$41,033	$65,879	$52,847	$45,312	$43,686	$33,574	$46,054	$31,283	$25,980
Franchise 4	3 years	$38,166	$53,327	$48,829	$63,737	$119,362	$88,519	$94,928	$81,937	$70,632	$63,444	$60,128	$54,870
Franchise 5	3 years	$29,562	$33,740	$28,338	$49,216	$82,838	$58,336	$61,204	$54,292	$39,333	$42,101	$41,546	$33,235
Franchise 6	3 years	$14,900	$11,378	$13,952	$12,365	$18,478	$11,498	$13,898	$10,377	$11,189	$7,048	*	$11,059
Franchise 7	3 years	$29,801	$33,894	$39,980	$32,014	$39,088	$36,307	$35,794	$50,044	$43,031	$45,646	$39,466	$38,796
Franchise 8	3 years	$18,225	$26,951	$18,395	$24,221	$48,956	$41,834	$39,539	$38,958	$28,840	$31,316	$32,021	$35,895
Franchise 9	3 years	$20,102	$27,374	$31,605	$38,271	$75,327	$71,519	$53,444	$55,793	$54,972	$33,990	$33,893	$24,034
Franchise 10	3 years	$20,808	$27,418	$18,118	$28,548	$37,079	$34,136	$40,292	$29,881	$27,293	$20,627	$18,222	$15,256
Franchise 11	3 years	$48,582	$59,668	$40,710	$32,077	$83,525	$65,075	$69,172	$58,746	$49,992	$52,098	$56,258	$54,789
Franchise 12	3 years	$23,792	$23,459	$31,436	$43,246	$47,919	$46,783	$43,600	$33,630	$29,856	$33,214	$26,617	$27,596
Franchise 13	3 years	$34,200	$37,736	$40,132	$1,238	$30,126	$59,274	$59,431	$48,471	$46,989	$34,984	$36,596	$28,149
Franchise 14	3 years	$46,906	$66,447	$56,491	$70,457	$103,278	$103,896	$103,392	$104,353	$100,172	$90,872	$75,894	$58,715
Franchise 15	3 years	$42,235	$41,587	$41,519	$55,900	$71,920	$56,396	$54,576	$49,716	$47,036	$52,220	$51,305	$47,079
Franchise 16	3 years	$53,166	$46,780	$57,832	$60,128	$77,247	$61,858	$61,328	$57,379	$50,936	$50,321	$63,648	$75,506
Franchise 17	3 years	$56,255	$54,352	$61,200	$59,178	$94,795	$84,695	$80,659	$80,633	$64,599	$54,964	$53,020	$46,557
Franchise 18	3 years	$13,272	$12,407	$14,174	$22,949	$6,626	**	**	**	$27,115	$37,586	$26,156	$16,911
Franchise 19	3 years	$18,056	$27,543	$28,072	$27,440	$41,151	$36,996	$31,780	$34,610	$31,669	$36,812	$33,351	$30,601
Franchise 20	2 years	$47,625	$56,841	$44,935	$72,612	$129,278	$114,709	$110,401	$89,484	$78,266	$70,804	$70,406	$59,607
Franchise 21	2 years	$33,719	$40,455	$32,390	$43,907	$52,953	$52,319	$49,572	$48,669	$40,538	$44,109	$32,464	$31,181
Franchise 22	2 years	$31,781	$36,846	$44,780	$37,157	$89,390	$88,757	$72,616	$72,348	$69,365	$55,892	$47,611	$40,817

Store	Time Open	Jan. 2020	Feb. 2020	March 2020	April 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020
Franchise 23	2 years	$24,968	$28,718	$27,588	$16,793	$31,949	$25,406	$27,156	$24,400	$26,151	$22,291	$20,193	$22,394
Franchise 24	2 years	$44,350	$55,267	$42,839	$80,073	$149,475	$115,190	$129,577	$109,908	$103,766	$99,173	$76,762	$66,890
Franchise 25	2 years	$21,897	$22,869	$39,446	$23,148	$41,623	$56,590	$64,020	$49,553	$52,471	$46,481	$39,852	$30,685
Franchise 26	2 years	$36,935	$55,290	$51,696	$77,459	$101,717	$105,077	$120,683	$106,388	$100,662	$88,889	$70,290	$62,737
Franchise 27	2 years	$34,186	$42,607	$48,171	$56,884	$108,505	$81,940	$77,030	$80,075	$58,140	$62,979	$51,035	$36,423
Franchise 28	2 years	$16,001	$30,434	$49,160	$34,696	$98,277	$123,253	$105,539	$101,167	$83,509	$52,890	$45,708	$36,323
Franchise 29	2 years	$37,807	$40,446	$26,159	$33,758	$67,149	$66,674	$58,521	$66,325	$58,922	$69,519	$63,073	$60,552
Franchise 30	2 years	$16,272	$20,453	$14,239	$15,125	$31,019	$32,410	$28,799	$27,214	$17,886	$23,206	$18,691	$18,514
Franchise 31	2 years	$27,162	$29,666	$49,880	$52,260	$81,313	$56,321	$57,919	$52,308	$47,874	$57,914	$53,466	$52,966
Franchise 32	2 years	$30,745	$28,611	$28,280	$34,441	$53,958	$35,917	$35,296	$30,266	$29,464	$31,213	$30,814	$37,391
Franchise 33	2 years	$25,514	$25,268	$30,528	$39,612	$70,113	$56,697	$59,416	$68,637	$52,250	$58,519	$45,381	$31,264
Franchise 34	2 years	$30,107	$43,109	$36,502	$31,166	$81,053	$62,393	$75,446	$69,201	$57,999	$67,772	$66,638	$45,815
Franchise 35	2 years	$8,020	$14,365	$14,473	$25,647	$32,881	$36,968	$28,700	$30,648	$27,165	$22,655	$12,976	$12,088
Franchise 36	1 year	$36,866	$29,190	$36,371	$37,186	$52,421	$44,221	$45,079	$45,469	$38,740	$37,642	$45,694	$44,912
Franchise 37	1 year	$15,890	$15,496	$14,304	$20,059	$22,039	$18,598	$17,544	$15,974	$18,222	$21,807	$18,603	$16,293
Franchise 38	1 year	$58,702	$51,809	$65,770	$65,354	$66,089	$65,856	$87,820	$58,219	$43,237	$51,791	$64,669	$59,627
Franchise 39	1 year	$23,086	$30,835	$22,245	$40,028	$75,657	$60,046	$70,247	$60,514	$47,234	$50,103	$43,636	$44,071
Franchise 40	1 year			$49,365	$25,149	$47,788	$49,018	$39,041	$41,073	$34,397	$26,078	$26,687	$28,421
Franchise 41	3 months										$20,957	$15,362	$14,072
Franchise 42	3 months										$22,258	$29,198	$28,470
Franchise 43	3 months										$13,034	$22,686	$19,351
Franchise 44	3 months										$110	$46,661	$25,140
Franchise 45	2 months											$57,499	$47,378
Franchise 46	2 months											$46,634	$26,708
Franchise 47	2 months											$20,115	$29,152
Franchise 48	2 months											$24,335	$31,397
Franchise 49	1 month												$58,252

***** Store was temporarily closed for remodel.

** Store was temporarily closed because of water pipe burst.

For purposes of this Financial Performance Representation, the term "Gross Sales" means the total of all revenues and income from the sale of all merchandise, products and services to customers, or any other source, whether or not sold or performed at or from the Store and whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received), but does not include sales tax, discounts, allowances and returns.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

The figures listed above show Gross Sales revenue only, and do not include expenses that you will incur to operate the Franchised Business. As an example only, but not as an all-inclusive listing of all possible operating expenses that your Franchised Store may incur, your Franchised Store will incur the following operating expenses: (i) Initial Franchise Fee; (ii) Grand Opening Expenses; (iii) Royalty Fees of 4% of Gross Sales; (iv) Marketing Fund Contribution of 3% of Gross Sales; (v) general operating expenses such as the cost of inventory and products that you purchase from our Affiliate or other approved suppliers, rent, local marketing expense of at least 2% of Gross Sales, insurance, janitorial services and supplies, office supplies and related expenses, wages paid to employees, payroll taxes, fees for licenses and permits, repairs and maintenance, appliances, income and personal property taxes or utilities; (vi) any costs associated with depreciation, amortization or debt service, which will vary with the amount of your investment and with the characteristics of each Franchised Store and are dependent on the amount of capital invested in a Franchised Store; (vii) owner's draw or salary or related payroll or income taxes; (viii) personal expenses that a franchisee may choose to pay as business expenses; or (ix) local, state or federal taxes levied on corporations, partnerships and limited liability companies. These expenses will affect the profitability of a Franchised Store. You should consider them and evaluate their impact. The actual performance of your Franchised Store will depend on a number of factors specific to you, including your expenses for the foregoing and other items.

The chart below shows the gross retail margins recognized by our franchisees at the Point-of-Sale level based on Gross Sales.

Store	Time Open	2020 Gross Retail Margin [1]	Number SKUs Sold [2]
Franchise 1	4 years	50%	746
Franchise 2	4 years	52%	615
Franchise 3	4 years	N/A	N/A
Franchise 4	3 years	50%	738
Franchise 5	3 years	N/A	N/A
Franchise 6	3 years	56%	420
Franchise 7	3 years	50%	641
Franchise 8	3 years	51%	423
Franchise 9	3 years	52%	543

Store	Time Open	2020 Gross Retail Margin [1]	Number SKUs Sold [2]
Franchise 10	3 years	52%	458
Franchise 11	3 years	54%	532
Franchise 12	3 years	51%	505
Franchise 13	3 years	55%	461
Franchise 14	3 years	50%	725
Franchise 15	3 years	51%	562
Franchise 16	3 years	52%	627
Franchise 17	3 years	48%	700
Franchise 18	3 years	53%	405
Franchise 19	3 years	49%	846
Franchise 20	2 years	49%	746
Franchise 21	2 years	54%	617
Franchise 22	2 years	50%	625
Franchise 23	2 years	51%	601
Franchise 24	2 years	51%	681
Franchise 25	2 years	52%	655
Franchise 26	2 years	50%	528
Franchise 27	2 years	50%	638
Franchise 28	2 years	49%	648
Franchise 29	2 years	52%	659
Franchise 30	2 years	51%	570
Franchise 31	2 years	50%	513
Franchise 32	2 years	51%	661
Franchise 33	2 years	49%	550
Franchise 34	2 years	46%	513
Franchise 35	2 years	51%	606
Franchise 36	2 years	52%	485
Franchise 37	1 year	52%	570
Franchise 38	1 year	51%	530
Franchise 39	1 year	52%	573

Store	Time Open	2020 Gross Retail Margin [1]	Number SKUs Sold [2]
Franchise 40	1 year	49%	577
Franchise 41	1 year	48%	582
Franchise 42	3 months	48%	406
Franchise 43	3 months	48%	335
Franchise 44	3 months	46%	353
Franchise 45	2 months	47%	409
Franchise 46	2 months	44%	380
Franchise 47	2 months	47%	338
Franchise 48	2 months	48%	360
Franchise 49	1 month	46%	345
2020 Franchisee Average		**50%**	**553**

Note 1: This figure does not represent total gross margin or gross profit, as the POS data is only based on the direct SKU level pricing of product paid by the franchisee to our affiliate Smart, LLC and does not include any vendor rebates, or indirect costs of goods sold, which would primarily be freight.

Note 2: The total Smart Wax/Chemical Guys catalog is over 1,000 SKUs. Franchisees currently have no restrictions on which SKUs they can purchase. Some Franchisees create their own SKUs as bundles/kits they build at the store level.

To slow the spread of COVID-19 and because of emergency governmental orders, many of the Detail Garage Stores (franchised and company-owned) were initially closed or operating on a limited basis beginning in March 2020. As Stores adapted (e.g., offering curbside pickup) and certain restrictions were lifted, most Detail Garage Stores have experienced better than normal sales. In many instances, their sales are better than those prior to March 2020 and reflect an increase over the same period sales from the prior year.

Written substantiation for the historical financial performance representation above will be made available upon reasonable request.

This Item 19 was prepared without an audit. Prospective owners or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Store. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Chad Zani at Detail Garage, 14108 S. Western Ave., Gardena, California 90249 and at (310) 227-7163, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS 2018 TO 2020

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
FRANCHISED	2018	7	28	+21
	2019	28	46	+18
	2020	46	49	+3
COMPANY-OWNED*	2018	7	7	0
	2019	7	8	+1
	2020	8	14	+6
TOTAL OUTLETS	2018	14	35	+21
	2019	35	54	+19
	2020	54	63	9

*The 14 Company-owned Outlets are owned and operated by our affiliates: Advanced Auto Detailing, LLC owns 13 outlets and DG Hawaii owns 1 outlet.

TABLE 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2018 TO 2020

STATE	YEAR	NUMBER OF TRANSFERS
Arizona	2018	0
	2019	0
	2020	0
California	2018	0
	2019	0
	2020	0
Florida	2018	0
	2019	2
	2020	1
Georgia	2018	0
	2019	0
	2020	0
Maryland	2018	0
	2019	0
	2020	0
Massachusetts	2018	0
	2019	0
	2020	0

STATE	YEAR	NUMBER OF TRANSFERS
Michigan	2018	0
	2019	0
	2020	0
Missouri	2018	0
	2019	0
	2020	0
Nevada	2018	0
	2019	0
	2020	0
North Carolina	2018	0
	2019	1
	2020	2
South Carolina	2018	0
	2019	0
	2020	0
Texas	2018	0
	2019	0
	2020	0
Utah	2018	0
	2019	0
	2020	0
Virginia	2018	0
	2019	0
	2020	0
Total	2018	0
	2019	3
	2020	3

TABLE 3
STATUS OF SINGLE UNIT FRANCHISE OUTLETS
FOR YEARS 2018 TO 2020

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	2018	1	2	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	3	0	0
CA	2018	4	3	0	0	0	0	7
	2019	7	5	0	0	1	0	11
	2020	11	1	0	0	0	0	12
FL	2018	1	5	0	0	0	0	6
	2019	6	4	0	0	0	0	10
	2020	10	0	0	0	0	0	10

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
GA	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
IN	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
MD	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
MA	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
MI	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
MO	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
NV	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	2	0	0
NC	2018	0	3	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
SC	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
TX	2018	0	3	0	0	0	0	3
	2019	3	3	0	0	0	0	6
	2020	6	4	0	0	0	0	10
UT	2018	1	0	0	0	0	0	1
	2019	1	2	0	0	0	0	3
	2020	3	0	0	0	0	0	3
VA	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
TOTALS	2018	7	21	0	0	0	0	28
	2019	28	19	0	0	1	0	46
	2020	46	9	0	1	5	0	49

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS*
FOR YEARS 2018 TO 2020

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
AZ	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	3	0	0	3
CA	2018	6	0	0	0	0	6
	2019	6	1	0	0	0	7
	2020	7	1	0	0	0	8
HI	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
NV	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	2	0	0	2
TOTALS	2018	7	0	0	0	0	7
	2019	7	1	0	0	0	8
	2020	8	1	5	0	0	14

*The 14 Company-owned Outlets are owned and operated by our affiliates: Advanced Auto Detailing, LLC owns 13 outlets and DG Hawaii owns 1 outlet.

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2020

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Arizona	0	0	1
California	0	5	2
Colorado	0	0	3
Indiana	0	1	0
Michigan	0	1	0
Nebraska	0	1	0
New York	0	1	0
Oregon	0	1	0
Rhode Island	1	1	0

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
Tennessee	0	2	0
Texas	0	5	0
Utah	0	1	0
Virginia	0	1	0
TOTAL	1	20	6

A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this Disclosure Document is attached as **Exhibit H**.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as **Exhibit I.**

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

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Detail Garage 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. During the last three fiscal years, two of our franchisees has signed an agreement that included a confidentiality clause.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document as **Exhibit C** are our audited financial statements for our fiscal years ended December 31, 2020, December 31, 2019, and December 31, 2018, and our unaudited financial statements for the periods ended March 31, 2021 and June 30, 2021.

ITEM 22 CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit A Franchise Agreement and Exhibits
Exhibit 1 Authorized Location Addendum
Exhibit 2 Electronic Funds Transfer Agreement
Exhibit 3 Electronic Debit Authorization

	Exhibit 4 Guarantee
	Exhibit 5 Addendum to Lease
Exhibit D	Statement of Prospective Franchisee
Exhibit F	Form of General Release
Exhibit G	State Specific Addenda
Exhibit J	Area Development Agreement
Exhibit K	Order Support Agreement

ITEM 23 RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located on the last two pages of this Disclosure Document, as **Exhibit M**.

Exhibit A
To Franchise Disclosure Document

FRANCHISE AGREEMENT AND RELATED EXHIBITS

DETAIL GARAGE

FRANCHISE AGREEMENT AND EXHIBITS

TABLE OF CONTENTS

SECTION	**PAGE**
RECITALS	1
1. GRANT OF LICENSE; LOCATION	2
2. ACCEPTANCE BY FRANCHISEE	4
3. TERM AND RENEWAL	5
4. TRADEMARK STANDARDS	6
5. FEES	8
6. FRANCHISOR SERVICES	11
7. FACILITY STANDARDS, LEASE AND CONSTRUCTION	15
8. STORE IMAGE AND OPERATING STANDARDS	16
9. ADVERTISING AND MARKETING	21
10. FINANCIAL REPORTS, AUDITS, COMPUTER SYSTEM AND INSURANCE REQUIREMENTS	23
11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION	27
12. CONFIDENTIAL INFORMATION	27
13. COVENANTS NOT TO COMPETE	28
14. TRANSFER OF INTEREST	30
15. DEFAULT AND TERMINATION OF AGREEMENT	32
16. RESOLUTION OF DISPUTES	37
17. MISCELLANEOUS PROVISIONS	40
18. ACKNOWLEDGMENTS	42
19. ENTIRE AGREEMENT	43

EXHIBITS

EXHIBIT 1	AUTHORIZED LOCATION	44
EXHIBIT 2	ELECTRONIC FUNDS TRANSFER AGREEMENT	45
EXHIBIT 3	ELECTRONIC DEBIT AUTHORIZATION	47
EXHIBIT 4	GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT	48
EXHIBIT 5	ADDENDUM TO LEASE	50

DETAIL GARAGE
FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is entered into as of the ____ day of _____, 20___ between Detail Garage, LLC, a California limited liability company, doing business as "Detail Garage" ("Franchisor") and _____, or his/her/their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee"), upon the following terms, conditions, covenants and agreements:

RECITALS

A. WHEREAS, Franchisor owns and has developed and administers a system, including various automobile detailing products, supplies and equipment, retail sales techniques and methods, automobile detailing classes and workshops, trade secrets, copyrights, confidential and proprietary information and other intellectual property rights (the "System") for the establishment and operation of distinctive automobile detailing supplies stores (the "Detail Garage Stores") identified by the "DETAIL GARAGE" trade name, "CHEMICAL GUYS" and "SMART WAX" trademarks, and other trademarks and service marks licensed hereunder (the "Marks").

B. WHEREAS, the System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of a Detail Garage Store, including, without limitation, confidential manuals (collectively, the "Manual"), automobile detailing products and equipment, including proprietary products and equipment, other equipment, furniture and fixtures, vehicles, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and decor.

C. WHEREAS, Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a license to establish and operate a Detail Garage Store.

D. WHEREAS, Franchisee desires to obtain a license to use the System in the development and operation of a Detail Garage Store under the terms and conditions as set forth in this Agreement.

E. WHEREAS, Franchisor authorizes Franchisee to sell certain automobile detailing products and equipment at the Detail Garage Store, which include, but are not limited to, waxes, polishes, cleansers, accessories, and other supplies, including products, supplies and equipment under the brand names CHEMICAL GUYS® and SMART WAX® that are owned by Franchisor's affiliates. Products authorized by Franchisor for sale at the Detail Garage Stores are referred to herein as the "Products".

F. WHEREAS, Franchisee has independently investigated the business contemplated by this Agreement, and recognizes that the nature of the business may change over time, that an investment in a Detail Garage Store involves business risks, and that the venture's success depends primarily upon Franchisee's business abilities and efforts.

NOW, THEREFORE, in consideration of the foregoing, the fees and other sums payable by Franchisee and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. GRANT OF FRANCHISE; LOCATION

1.1 **Grant**. Franchisor grants to Franchisee the non-exclusive right and license to:

A. Establish and operate a single Detail Garage Store (the "Store") utilizing only the System and the Marks, at a specific location that has been authorized by Franchisor (the "Authorized Location"), in accordance with the provisions and for the term specified in this Agreement;

B. Use the Marks of Franchisor under the terms of this Agreement to identify and promote the Store offered hereunder; and

C. Use the proprietary auto detailing techniques, methods and know-how, as set forth periodically in Franchisor's operations manual, other manuals, training programs, or otherwise communicated to Franchisee.

1.2 **Site Approval Process for Store**. Before Franchisor considers approving a location for the Store, Franchisee must submit to Franchisor a complete report containing all information Franchisor may reasonably request concerning the proposed location, including, without limitation, population density, demographics, proximity to other Detail Garage Stores, available parking, traffic flow and entrance to and exit from the site (the "Location Report"). Franchisor shall deliver to Franchisee written approval or disapproval of a proposed location within 45 days after Franchisor receives the Location Report. Franchisor's approval of the proposed site shall be deemed to be a binding addendum to this Agreement upon Franchisor and Franchisee's execution of Exhibit 1, which is attached hereto and incorporated herein by reference, and which will set forth the Authorized Location. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria. Franchisee acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor. While Franchisor will provide site selection assistance as specified in Section 6.1 herein, Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the Store. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Authorized Location by Franchisee. Franchisee must obtain lawful possession of an Authorized Location by lease, purchase or other method and open for regular, continuous business within seven (7) months of the date that Franchisor accepts this Agreement. If the Store is not opened within such allotted time, Franchisor, in its sole discretion, may charge Franchisee a royalty fee in the amount of $3,000 per month until the Store opens for regular, continuous business. The opening date may be extended an additional three (3) months in certain instances, at no additional cost (royalty fee), as explained in Section 2.2D below. Franchisor has the right to terminate this Agreement if Franchisee fails to select a site for the Store that meets Franchisor's approval, within twelve months of the date that Franchisor accepts this Agreement.

1.3 **Authorized Location & Protected Radius for Store**. If the Authorized Location has not been identified at the time this Agreement is signed, Franchisee must identify a site approved by Franchisor within the following Designated Market Area:

_____.

Once the Authorized Location for the Store has been identified in the Authorized Location Addendum, attached hereto as Exhibit 1, Franchisor agrees that, so long as Franchisee is in good standing, neither it nor its affiliates will operate or establish, or authorize another Detail Garage Franchisee to operate or

establish, a Detail Garage Store using the System or Marks within a certain radius ("Protected Radius") of up to 5 miles around the Authorized Location (as measured from the outside walls of the Store) in suburban environments. In dense urban environments, such as, downtown metropolitan areas, the Protected Radius will be less than 1 mile from the primary customer entrance of the Detail Garage Store. The Protected Radius will be defined in Exhibit 1, hereto. Franchisee will not receive an exclusive territory.

1.4 **Conversion of an Existing Auto Detailing Supplies Business.** If Franchisee owns an automobile detailing supplies business or a business similar in nature to a Detail Garage Store, Franchisor may, at its sole option, allow Franchisee to convert such business into a Detail Garage Store. In such instance, Franchisee must complete the conversion and be open for regular, continuous business as a Detail Garage Store within sixty (60) days after the execution of this Agreement.

1.5 **Rights Reserved to Franchisor**.

A. Except for the right to operate a single Detail Garage Store from the Authorized Location, Franchisee is not granted any rights to use the System and Marks in connection with any other channel of commerce or method of distribution, including, without limitation, distribution of products or services through any temporary or mobile facilities or via the Internet (collectively, the "Alternative Channels of Distribution"), all such rights being retained by Franchisor. Franchisee acknowledges that either Franchisor, or its affiliates, or both, may sell products, including the Products (using the "CHEMICAL GUYS" and "SMART WAX" brand and marks) to others located anywhere, including dealerships, competitors, retail stores of any type, and others located near or in Franchisee's Protected Radius.

B. Franchisor reserves all rights not expressly granted to Franchisee under this Agreement, and specifically reserves the rights to operate, or to license others to operate:

(i) any kind of business, except for a Detail Garage Store, in any Protected Radius awarded to Franchisee providing services or selling products to customers located anywhere, including, but not limited to, distributors and resellers, whether or not using the Detail Garage brand and System in Franchisee's Protected Radius;

(ii) any kind of business anywhere outside of any Protected Radius awarded to Franchisee providing services or selling to customers located anywhere, whether or not using the Detail Garage brand and System, including Detail Garage Stores; and/or

(iii) any kind of temporary promotional event (as described in Section 9.5 of this Agreement), in any Protected Radius awarded to Franchisee, providing services or selling to customers located anywhere, whether or not using the Detail Garage brand and System.

C. Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisor and/or any of Franchisor's affiliates can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, and including arrangements in which (i) other units are (or are not) converted to the Detail Garage brand or other format (including using the System and/or Marks) and/or (ii) Franchisor and/or any of Franchisor's affiliates are acquired, and/or company-owned, franchised or other businesses are converted to another format, maintained under the System or otherwise. All Detail Garage Stores owned by Franchisee will fully participate in any such conversion, at Franchisee's expense; provided, however, Franchisee shall

have a period of twelve (12) months to complete the conversion for a Store, and Franchisor will contribute a pro-rated amount up to Five Thousand Dollars ($5,000), based upon the remaining term of the Franchise Agreement, toward the costs and expense of replacing exterior and interior signage at the Store.

D. Franchisor shall have the right, but not the obligation to cancel this Agreement if:

(i) Franchisee fails to open the Store within 12 months of the date of this Agreement.

(ii) Franchisee fails to complete the training program to Franchisor's satisfaction;

(iii) Franchisor determines that Franchisee is using this Agreement for speculative purposes;

(iv) Franchisee is an existing Detail Garage franchisee and becomes restricted from expansion under Franchisor's policies for any reason between the time Franchisor accepts this Agreement and before a lease is fully executed for the Authorized Location; or

(v) Franchisee is in breach of this Agreement.

2. ACCEPTANCE BY FRANCHISEE

2.1 **Acceptance by Franchisee**. Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Store on the terms and conditions specified herein. Franchisee agrees to operate the Store for the entire term of this Agreement, unless Franchisee receives Franchisor's prior written approval to transfer its interest in the franchise pursuant to Section 14 of this Agreement, or unless the lease for the Authorized Location is terminated at no fault of Franchisee and Franchisee cannot find an alternative location to operate the franchise that is acceptable to Franchisor. Franchisee agrees to follow the System requirements in the operation of its Store, including, without limitation, its facilities, staff, advertising, operations, and all other aspects of Franchisor's business and the System now in effect and changed periodically. If this is Franchisee's first Detail Garage Store, then Franchisee and/or its proposed manager ("Store Manager") must attend and complete Franchisor's initial training program to Franchisor's satisfaction, as set forth in Section 6.3 of this Agreement.

2.2 **Conditions**. The rights being licensed herein are subject, without limitation, to the following conditions:

A. The Store shall be identified only by those Marks approved in writing by Franchisor.

B. Concurrently, with the signing of this Agreement, Franchisee must execute a personal guaranty in the form attached hereto as Exhibit 4 ("Personal Guaranty"). In the event Franchisee is a legal entity having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 20% or greater interest in Franchisee (the "Owners") must execute the Personal Guaranty. Any person or entity that at any time after the date of this Agreement becomes an Owner, pursuant to Section 14 or otherwise, shall, as a condition of becoming an Owner, execute Franchisor's then-current form of Personal Guaranty.

C. Franchisee shall submit the lease for the Store to Franchisor for its written consent before Franchisee executes the lease for the Authorized Location. The lease must contain the provisions outlined in Section 7.2 and Exhibit 5 ("Lease Addendum").

D. Franchisee agrees that it shall open the Store for regular, continuous business no later than seven (7) months after this Agreement is signed by Franchisor. If, through no fault of Franchisee, the Store has not opened after seven (7) months, but substantial progress has been made, Franchisor may, in its sole discretion, extend the period of time to open for an additional three (3) months, without any additional cost (royalty fee) to Franchisee. Alternatively, Franchisor may elect, in its sole judgment, to charge Franchisee a royalty fee in the amount specified in Section 1.2, above, for each month the Store is not open for regular continuous business after the seven (7) month allotted time period.

E. Franchisee agrees at all times to comply with the Manual, standards, operating systems, and other aspects of the System (collectively, the "System Standards") prescribed by Franchisor, which are subject to change at Franchisor's discretion.

3. TERM AND RENEWAL

3.1 **Term**. The term of this Agreement shall be for a period of ten (10) years beginning on the date this Agreement is accepted by Franchisor; provided, however, the term of this Agreement shall be shortened (but not extended) to conform to the term of the lease (including any options) for the Authorized Location (if the lease plus any options is shorter than ten (10) years.)

3.2 **Renewal**. Unless terminated at an earlier date, upon the expiration of the initial term, Franchisee shall have the right to renew this Agreement for two (2) consecutive additional five (5) year terms, or for option terms equal to the new or extended term of the lease for the Authorized Location (or suitable alternative location approved by Franchisor), subject to satisfaction of each of the following conditions:

A. Prior to each such renewal, Franchisee shall execute Franchisor's standard form franchise agreement being offered at the time of each such renewal. The provisions of each such renewal franchise agreement may differ from and shall supersede this Agreement in all respects, including, without limitation, changes in royalty and advertising fees, except that Franchisee shall pay the renewal fee specified in Section 3.2 F, instead of the Initial Franchise Fee. Franchisee's failure or refusal to execute and return Franchisor's then current standard form Franchise Agreement to Franchisor within thirty (30) days after receipt by Franchisee shall constitute Franchisee's election not to renew;

B. Franchisee shall demonstrate that it has the right to remain in possession of the Authorized Location for the duration of the renewal term, or that it has been able to secure and develop an alternative site acceptable to Franchisor;

C. In consideration of each such renewal of the franchise, Franchisee shall execute a general release in the form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents;

D. Franchisee shall have completed or made arrangements to make, at Franchisee's expense such renovation and modernization of the Store, including the interior and exterior of the

building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, décor, and vehicle wrap, if applicable, as Franchisor reasonably requires, so that the Store conforms with the then-current standards and image for a Detail Garage Store;

E. Franchisee, during the term of this Agreement, shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor, and shall be in compliance with the Manual and with Franchisor's policies, standards and specifications on the date of the notice of renewal and at the expiration of the initial term;

F. Franchisee shall pay to Franchisor a "Renewal Fee" in the amount of Five Thousand Dollars ($5,000); and

G. Franchisee shall have given Franchisor written notice of renewal no less than 90 days or more than 180 days before expiration of the initial term.

3.3 **Franchisor's Refusal to Renew Franchise**. Franchisor may refuse to renew the franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor; if Franchisee has had one or more defaults, whether cured or not, during the term of this Agreement; or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of a Franchise.

3.4 **Notice of Expiration Required by Law.** If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice.

4. TRADEMARK STANDARDS

4.1 **Name and Ownership**. Franchisee acknowledges the validity of the Mark "DETAIL GARAGE" and all other Marks that now or in the future are or will be part of the System and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of a Store pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, who owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor owns all right, title and interest in and to the Marks, and Franchisee has and acquires hereby only the qualified license granted in this Agreement.

4.2 **Usage**.

A. Franchisee shall not use any Mark as part of the name of any corporation, limited liability company or other entity that Franchisee may form, including any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business than that prescribed by Franchisor. Franchisee shall not use any other mark, name,

commercial symbol or logotype in connection with the operation of the Store and shall not market any product relating to the Store without Franchisor's written consent, and if such consent is granted, such product must be marketed in a manner acceptable to Franchisor. Franchisor may also permit Franchisee to use from time to time other trademarks, service marks, trade names and commercial symbols as may be designated in writing. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

B. Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee is prohibited from using the Marks in advertising, promotion or otherwise, without the appropriate "©" or "®" (copyright and registration marks) or the designations "™" or "℠" (trademark and service mark), where applicable.

D. Franchisee shall not establish a website, a URL, or any email accounts using any domain name containing the Marks or any variation thereof without the prior written consent of Franchisor.

E. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

4.3 **Litigation**. Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third party. Franchisor shall not be liable for any legal expenses of Franchisee unless approved in writing by Franchisor in its discretion.

4.4 **Modification, Discontinuance or Substitution**. Franchisor reserves the right, if necessary in Franchisor's sole judgment, to change the principal Mark(s) of the System on a national or regional basis, and upon reasonable notice, Franchisee shall at its expense adopt a new principal Mark(s) designated by Franchisor to identify the Store. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's change of any Mark.

4.5 **Franchisor's Revenues**. Franchisor and its affiliates may offer to sell to Franchisee, at a reasonable profit, various products and services, and reserve the right to receive fees or other consideration in connection with "DETAIL GARAGE" sales promotion and advertising programs or from System vendors.

5. FEES

5.1 **Initial Franchise Fee.** Franchisee agrees to pay Franchisor an "Initial Franchise Fee" in the sum of Thirty Thousand Dollars ($30,000) for a single Detail Garage Store, upon execution of this Agreement in the form of a cashier's check or by wire transfer. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to site selection assistance [if appropriate], initial training, equipment [if appropriate], establishment of suppliers, inspection, testing and other quality control programs, design assistance, project management, initial marketing and grand opening assistance, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable, in whole or in part, under any circumstance.

If Franchisee owns an existing auto detailing supplies business and is converting it to a Detail Garage Store, as described in Section 1.3, the Initial Franchise Fee will be reduced to Twenty Thousand Dollars ($20,000).

Franchisor currently offers the following discounts on the Initial Franchise Fee:

(i) Employee Discount: Any current employee of Franchisor or one of its affiliates, who wishes to purchase an initial franchise and end their employment with Franchisor or its affiliate and become a Detail Garage franchisee will receive a $10,000 discount on the Initial Franchise Fee. The discount is available only to qualified employees who will operate their franchise as individual proprietors or who will hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by the employee. If Franchisee is a partnership, corporation or limited liability company, the employee must maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement or Franchisee will be required to pay Franchisor the initial savings of $10,000.

(ii) U.S. Military Discount: All qualifying veterans may purchase an initial franchise at a discount of $5,000 off the Initial Franchise Fee. This program is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If Franchisee is a partnership, corporation or limited liability company, Franchisee's status as a participating veteran must be submitted to us before Franchisee signs the Franchise Agreement, and Franchisee must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement, or Franchisee will be required to pay Franchisor the initial savings of $5,000.

(iii) First Responders Discount: Franchisor offers a $5,000 discount on the Initial Franchise Fee for active and retired "First Responders." First Responders include firefighters, law enforcers, state troopers, disaster response personnel, EMTs, paramedics, and rescue

team members. The discount is available only to qualified First Responders who will operate their franchise as individual proprietors or who will hold a majority ownership interest in a partnership, corporation, or limited liability company that owns the franchise. The price reduction applies only to the first franchise acquired by the First Responder. If Franchisee is a partnership, corporation or limited liability company, the First Responder must maintain a majority interest in the partnership, corporation, or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement or will be required to pay Franchisor the initial savings of $5,000.

Franchisor reserves the right to modify or discontinue any discounts at any time in its sole discretion.

If Franchisee enters into an area development agreement ("Area Development Agreement") with Franchisor for the development of 3 or more Detail Garage Stores, the Initial Franchise Fee under this Agreement will be Thirty Thousand Dollars ($30,000) for the first Store, Twenty-Five Thousand Dollars ($25,000) for the second Store, and Twenty Thousand Dollars ($20,000) for the third Store and each subsequent Store thereafter developed in accordance with the terms of the Area Development Agreement.

5.2 **Royalty Fee**. Beginning from the day the Store first opens for business and continuing during the Term of this Agreement, Franchisee agrees to pay Franchisor monthly, without setoff, credit or deduction of any nature, a royalty fee (the "Royalty Fee"). The Royalty Fee will be equal to four percent (4%) of Franchisee's Gross Sales (as that term is defined in Section 5.3, below.) Franchisee agrees to pay the Royalty Fee by the 15th day of each month following the month in which the royalties were earned, using the method of payment as specified in Section 5.7 below.

5.3 **Gross Sales.** "Gross Sales" means the total dollar volume income from all cash, credit or charge sales of all merchandise, products and services sold or rendered in connection with the Store. Gross Sales will not include any sales or use tax imposed by any taxing authority directly upon sales if the amount of the tax is added to the selling price and expressly charged to the customer. If a taxing authority imposes any tax on Franchisor, such as a sales tax or a tax on the Royalty Fee or on any other fees paid to Franchisor; Franchisor reserves the right to collect any such tax directly from Franchisee. Gross Sales from Detail Garage gift cards, value cards or similar prepaid cards (collectively, "Gift Cards") are included upon the redemption of a value on the Gift Card and are included upon recognition of any dormancy amounts of Gift Card liabilities. All Gross Sales of any kind must be run through the Store's computer system.

5.4 **Marketing Fund Contribution.** Franchisee agrees to pay Franchisor, monthly, three percent (3%) of Franchisee's Gross Sales for national advertising and marketing services ("Marketing Fund Contribution"), at the same time and in the same manner as the Royalty Fee is paid. The Marketing Fund Fee shall be expended in accordance with Section 9.1 herein. At Franchisor's sole discretion and upon thirty (30) days' notice to Franchisee, the Marketing Fund Contribution may be increased or decreased, although no such increase will be greater than three percent (3%) of Franchisee's Gross Sales.

5.5 **Local Marketing/Advertising Expenses.** Franchisee agrees to spend each quarter no less than 2% of its Gross Sales each quarter on local advertising and promotion of the Store. (See Section 9.2 for more details on Local Marketing/Advertising.)

5.6 **Advertising Cooperative**. If Franchisor establishes a local or regional advertising cooperative to promote the Store in Franchisee's market area, Franchisee will be required to contribute to the cooperative in such amounts as are determined by the majority of its members, but, in no event, will Franchisee be required to pay more than seven percent (7%) of its Gross Sales for combined Local Marketing and Cooperative Advertising. (See Sections 9.5 and 9.6 for more details on Advertising Cooperatives.)

5.7 **Electronic Transfer.**

A. Unless Franchisor specifies otherwise, Franchisee agrees to pay the Royalty Fee, Marketing Fund Contribution, and any other fees owed to Franchisor, by pre-authorized electronic debit to Franchisor's bank or other financial institution account.

B. Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" (attached as Exhibit 2 to this Agreement) and any other form, including, without limitation, an "Electronic Debit Authorization" (attached as Exhibit 3 to this Agreement) for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization.

C. Franchisee agrees to install at its expense and use such pre-authorized payment and computerized point of sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system as Franchisor in its discretion may require. This requirement may be specified by Franchisor to fulfill any business purpose reasonably related to the operation of the franchise and the System or to permit Franchisee to make all required payments to Franchisor by automatic bank transfer.

5.8 **Interest and Late Charges**. Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month, or the highest rate of interest allowed by law. Additionally, Franchisor may charge Franchisee an administrative late fee of Two Hundred Fifty Dollars ($250) per month for each late payment. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.9 **Support Fee**. If Franchisee fails to have a trained Designated Operator (defined in Section 17.3) or trained Store Manager (approved by Franchisor) at any time during the term of this Agreement, Franchisor may charge Franchisee a support fee in the amount of $750 per day, plus travel and living expenses, until a replacement or successor Designated Operator or Store Manager has successfully completed training.

5.10 **Furniture, Fixtures, and Supplies Package**. Franchisee agrees to purchase the furniture, fixtures, and supplies for the Store from Franchisor prior to the opening of the Store. The cost of the Furniture, Fixtures, and Supplies Package ranges from $15,000 to $25,000, and varies according to the size of the Store. The package includes wall panels, shelving, brackets, hooks, baskets, racks, a retail counter, nesting tables, acrylic displays, and barrels. Franchisee agrees to use the services of a third-party design agency designated by Franchisor as the approved supplier for Store design to assist Franchisee in tailoring the Furniture, Fixtures and Supplies Package for the Store. Franchisee agrees to pay the full amount due to Franchisor for the Furniture, Fixtures, and Supplies Package, by electronic funds transfer ("EFT") or credit card, at the time Franchisee places its order. The cost of the Furniture,

Fixtures and Supplies Package is non-refundable, in whole or in part, under any circumstances. Franchisee is responsible for paying the third-party design agency directly for their services.

5.11 **Inventory of Products**. Franchisee agrees to purchase a minimum opening inventory of CHEMICAL GUYS and SMART WAX products (the "Opening Inventory of Products") from Franchisor's affiliate, Smart, LLC, prior to the opening of the Store, in an amount specified by Franchisor and set forth in the Manual and elsewhere by Franchisor. Franchisee agrees to pay the full amount due to Smart, LLC, within 90 days from the date of the invoice, by electronic funds transfer ("EFT") or credit card. Franchisor may elect to offer discounts on the Opening Inventory of Products if Franchisee pre-pays the full amount due at the time Franchisee's order is placed with Smart, LLC. The cost of the Opening Inventory of Products is non-refundable, in whole or in part, under any circumstances. Throughout the term of this Agreement, Franchisee agrees to continuing purchasing the minimum required amounts of CHEMICAL GUYS and SMART WAX products from Smart, LLC, as set forth in the Manual and elsewhere by Franchisor. Such minimum required amounts may be increased by Franchisor, from time to time, upon thirty (30) days' written notice to Franchisee. Franchisee acknowledges and agrees that Franchisor and its affiliates cannot guarantee that all orders will be fulfilled on time, all the time, as products and inventory are subject to delays caused by manufacturing bottlenecks, suppliers, commodity prices, shippers, acts of God, pandemics, quarantine restrictions, and other delaying factors; and, therefore, Franchisee agrees that Franchisor and its affiliates are not liable for any delayed or unfulfilled orders or inventory requests. Up to ten percent (10%) of the total catalog of inventory offered to Detail Garage Franchisees by Smart, LLC. may not be available to Franchisee at any given time due to shortages, as a course of normal business.

6. FRANCHISOR SERVICES

6.1 **Site Selection and Lease Negotiations for the Store**. Franchisee is solely responsible for locating, obtaining and evaluating the suitability and prospects of the Store location, for the review and negotiation of its lease, and for hiring an attorney to review and help negotiate the lease. Franchisor may in its discretion, at Franchisee's request, assist Franchisee in site selection and the review of Franchisee's lease by furnishing Franchisee with Franchisor's confidential site evaluation criteria, by consulting with and counseling Franchisee, and, at Franchisor's discretion, conducting field inspections of proposed sites at mutually convenient times. Franchisor reserves the right to charge a reasonable fee for performing any on-site evaluation to cover incurred expenses, including, but not limited to, travel, lodging, meals and wages. Franchisee will not lease or otherwise acquire a site for the Store until the site has been consented to by Franchisor. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria.

6.2 **Unit Development**. Franchisor shall consult and advise Franchisee on the proper display of the Marks, layout and design, procurement of auto detailing equipment and other equipment, auto detailing products, furniture, fixtures, initial inventories, recruiting personnel, and managing construction or remodeling of the Store. After Franchisee has executed a lease for the Authorized Location, Franchisor shall deliver to Franchisee specifications and standards for building, equipment, furnishings, fixtures, layout, design and signs relating to the Authorized Location and shall provide reasonable consultation in connection with the development of the Store. Franchisee's architect must make any layout, design and specifications provided by Franchisor site-specific. Franchisee agrees to make no changes, alterations or modifications whatsoever to the selected layout and design without obtaining prior written consent from Franchisor.

6.3 **Training.**

A. Initial Training. Prior to the opening of the Store and at no charge beyond the Initial Franchise Fee, Franchisor will provide initial training (the "Initial Training Program") at its training facility, Smart Detailing University ("SDU"), located at Franchisor's headquarters, to Franchisee and its designated Store Manager provided, however, Franchisee and its Store Manager must attend such training at SDU simultaneously. Subject to availability, and with Franchisor's approval, Franchisee may have an additional employee attend SDU, simultaneously with Franchisee and its Store Manager, at no charge. If Franchisee is a business entity, then the Designated Owner(s), as identified in Section 17.3, below, or the Store Manager must successfully complete the Initial Training Program at SDU, any additional required training, and comply on an ongoing basis, annually, or as required, with all ongoing/refresher training requirements.

The length of the Initial Training Program is scheduled at Franchisor's discretion, consisting of a combination of classroom training at SDU and on the job training conducted at a Detail Garage Store owned by Franchisor or its affiliate, or such other training facilities designated by Franchisor. The Initial Training Program will cover basic aspects of establishing and operating the Store, including retail sales techniques for selling auto detailing supplies, auto detailing techniques and related services, holding auto detailing classes/workshops at the Store, the POS Computer System, forms, cost control, purchasing, inventory control and disposition, customer service, marketing, selling skills, employee hiring, training and scheduling procedures, job functions and maintenance of quality standards.

The Initial Training Program is mandatory for Franchisee and/or its Store Manager. Franchisee and/or the Store Manager must satisfactorily complete the Initial Training Program at SDU, which includes attendance at all scheduled training days and times, as communicated in advance of the training, within the timeframe established by Franchisor. Franchisee is responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with the Initial Training for Franchisee, the Store Manager and any other employee of Franchisee who attends the training. Franchisee agrees that it will require all Store Managers employed after the Store is opened to complete the Initial Training at SDU. Each Store Manager shall attend and complete the next available classes at SDU following the commencement date of his/her employment.

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

B. Ongoing/Refresher Training. From time to time, Franchisor may offer system-wide ongoing or refresher training to the Detail Garage Franchisees and/or their Store Managers for a reasonable fee, such training may include updates on new products, courses, meetings, seminars and conventions. Franchisee agrees to personally attend or have its Store Manager (if approved by Franchisor) attend any and all required ongoing or refresher training, annually, or as required. In addition to paying any required training fee(s), Franchisee will be responsible for all compensation, travel and living expenses of Franchisee and/or its Store Manager during training.

6.4 **Operations Manual**. Franchisor will lend Franchisee one (1) copy of the Manual during the term of this Agreement, which contains mandatory and suggested specifications, standards and operating procedures prescribed by Franchisor. For purposes of this Agreement, the Manual means the entire collection of manuals, guidelines, standards and specifications provided to Franchisee in connection with the development, construction and operation of the Store. Franchisee acknowledges that Franchisor may from time to time revise the contents of the Manual, and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. Any required specifications, standards, and/or operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. The Manual shall remain the sole property of Franchisor and shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the termination, expiration, or non-renewal of this Agreement. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained at Franchisor's principal office shall be controlling.

6.5 **Continuing Services**. Franchisor shall provide such continuing advisory assistance and information to Franchisee in the development and operation of the Store as Franchisor deems advisable. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals. Franchisor may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone will establish all requirements, consistent with Franchisor's policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Store for which Franchisor has not established Approved Suppliers. The rendering of any consultation, advise, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

6.6 **Approved/Designated Suppliers, Products and Services.**

A. Franchisor shall provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services, Products, materials and supplies, and training that may benefit Franchisee in the operation of the Store. Franchisor has the right to require that Franchisee obtain products/services specified by Franchisor from time to time exclusively from suppliers designated or approved by Franchisor. Franchisor has the right to designate or approve a single supplier or multiple suppliers for any specified product/service and to designate a single supplier as an exclusive supplier of a required Product or service. Suppliers may include, and may be limited to, Franchisor and/or companies affiliated with Franchisor. Currently, Franchisor's affiliate Smart, LLC is the only approved supplier of the auto-detailing and car care products to be offered and sold by Franchisee at the Store. Franchisee must not offer or sell any products or services not approved by Franchisor. If Franchisor disapproves a particular item, Franchisee will not use it.

B. Designation or approval of a supplier may be conditioned on factors established by Franchisor as it considers appropriate, including without limitation performance relating to frequency of delivery, standards of service, inability to maintain quality/adequate supply of goods, inability to meet or maintain acceptable pricing, and payment or other consideration to Franchisor or parties designated by Franchisor. Franchisor can approve, or revoke or deny approval, of particular items or suppliers in its sole discretion. Franchisor and its affiliates reserve the right to receive rebates, incentive amounts, discounts and other economic benefits from any supplier and have the right to realize a profit on the sales of products and/or services to Franchisee.

6.7 **Pricing.** Franchisor has developed an image that is based in part on consistent and reasonable prices for Products and services offered by the System. To promote a consistent consumer experience, and to maximize the value of limited advertising expenditures, and subject to applicable state law, Franchisor may require fixed minimum or maximum prices for any Products or services offered by the System and Franchisee. Franchisee is obligated to use the pricing required by Franchisor, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in State or Federal anti-trust laws. Consistent with State or Federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. Franchisee acknowledges and agrees that any maximum, minimum or other prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of the Store, and Franchisee irrevocably waives any and all claims arising from or related to Franchisor's prescription or suggestion of the Store's retail prices.

6.8 **National Marketing Fund.** Franchisor will institute, maintain and administer a Marketing Fund for such advertising or public relations programs as Franchisor, in its discretion, may deem necessary or appropriate to advertise and promote the Detail Garage Businesses pursuant to Section 9.1 of this Agreement.

6.9 **Grand Opening Advertising Assistance.** Franchisor shall consult and advise Franchisee on the advertising, marketing and promotion for the Grand Opening of the Store.

6.10 **Social Media Activities.** As used in this Agreement, the term "Social Media" is defined as a network of services, including, but not limited to, blogs, microblogs, and social networking sites (such as Facebook, LinkedIn, Instagram, Twitter and TikTok), video-sharing and photo-sharing sites (such as YouTube, Instagram and Flickr), review sites (such as Yelp and Angie's List), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, Franchisee agrees and acknowledges that Franchisor will own and control all Social Media pertaining to the Detail Garage Stores and brand, including, but not limited to, any account in which the username or profile name includes the Detail Garage trade name, any of the Marks, or any confusingly similar terms. Franchisor will set up and establish individual accounts for each Detail Garage Store on Social Media (e.g., Facebook, Instagram, etc.) and provide Franchisee with access to such account(s). Franchisor will retain control and ownership of all accounts related to the Store throughout the term of this Agreement and after its termination. Franchisee must strictly follow the Social Media guidelines, code of conduct, and etiquette as set forth in the Manual. Any use of Social Media by Franchisee pertaining to the Store must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate

content. Franchisor reserves the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding the Store on such websites/pages (e.g., a system-wide Facebook page). At Franchisor's request, Franchisee will promptly modify or remove any online communication pertaining to the Store that does not comply with this Agreement or the Manual.

7. FACILITY STANDARDS, LEASE AND CONSTRUCTION

7.1 **Facility Specifications.** Franchisee's Store shall meet the following conditions:

A. The Store shall be laid out, designed, constructed or improved, equipped and furnished in accordance with Franchisor's standards and specifications. Equipment, furnishings, fixtures, decor and signs for the Store shall be purchased from suppliers approved by Franchisor. Franchisee may remodel or alter the Store, or change its equipment, furniture or fixtures, only with Franchisor's consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Store shall contain or display only signage that has been specifically approved or designed by Franchisor.

B. The Store, the vehicle, if applicable, and all auto detailing Products and equipment shall be maintained in accordance with standards and specifications established by Franchisor or prescribed after inspection of the Store. Franchisee shall promptly repair or replace defective or obsolete Products, equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisor may place in a conspicuous location signage, language and informational materials, including, without limitation, a brochure rack on the customer counter and various signage and/or language on the front doors and/or windows relating to its franchise opportunities at any time during the term of this Agreement and any extensions to this Agreement.

D. The Franchise Business shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor, in a form and manner determined by Franchisor, in its sole discretion.

7.2 **Lease for Store**. Franchisee is solely responsible for purchasing or leasing a suitable site for the Store. Franchisee must submit the lease for the Store to Franchisor for its written consent before Franchisee executes the lease for the Authorized Location. Franchisor will not withhold consent arbitrarily; however, any lease must contain substantially the following provisions: (1) "The leased premises will be used only for the operation of a Detail Garage Store;" (2) "The employees of Franchisor will have the right to enter the leased premises to make any modifications necessary to protect the System and proprietary marks thereof;" (3) "Lessee agrees that Lessor may, upon request of Franchisor disclose to said Franchisor all reports, information or data in Lessor's possession with respect to sales made in, upon or from the leased premises;" and (4) a conditional assignment clause to be contained in a lease rider in a form approved by Franchisor, which shall provide that Franchisor (or its designee) may, upon termination, expiration, non-renewal or proposed assignment of this Agreement, at Franchisor's sole option, take an assignment of Franchisee's interest thereunder, without the consent of the Lessor or property owner, without liability for accrued obligations, payment of additional consideration or increase in rent, and at any time thereafter, reassign the lease to a new franchisee. Franchisor's execution of this Agreement is conditioned upon the above-referenced lease addendum in the form

attached hereto, as Exhibit 5 ("Lease Addendum"), which shall be signed by Franchisee and attached and made part of the lease for the Store. Franchisee acknowledges that it has been advised to have any lease reviewed by Franchisee's own legal counsel.

7.3 **Development of Store.** Franchisee agrees that after obtaining possession of the Authorized Location, Franchisee will promptly, at Franchisee's sole expense:

A. Obtain any standard plans and/or specifications from Franchisor;

B. Employ a qualified licensed architect, as required by state or local codes to prepare all drawings, designs, plans and specifications for the Store, and submit same to Franchisor for review and approval prior to commencing construction;

C. Hire a licensed general contractor and complete the construction or remodeling of the Store in full and strict compliance with plans and specifications approved by Franchisor, and in compliance with all applicable ordinances, building codes and permit requirements;

D. Hire the third-party design agency designated by Franchisor as the approved supplier for Store design to assist Franchisee in tailoring the Furniture, Fixtures and Supplies Package for the Store.

E. Purchase or lease, in accordance with Franchisor's standards and specifications, all auto detailing equipment, fixtures, inventory, supplies and signs required for the Store;

F. Hire and train the initial operating personnel according to Franchisor's standards and specifications; and

G. Complete development of and have the Store open for business not later than six (6) months after the date that Franchisor accepts this Agreement.

7.4 **Franchisee's Responsibility.** Although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Store, Franchisor is not acting as a general contractor or providing construction advice. Franchisee must hire its own licensed general contractor and architect to comply with local ordinance's and codes, and Franchisee alone is responsible for the build out of the Approved Location. It is Franchisee's sole responsibility to construct and equip the Store in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and all other requirements that may be prescribed by any federal, state or local governmental agency.

8. STORE IMAGE AND OPERATING STANDARDS

8.1 **Compliance**. Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Store is important to Franchisee, the System and other Detail Garage franchisees in order to maintain high and uniform operating standards, to increase demand for the services sold by all franchisees, and to protect Franchisor's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and Franchisor's standards and specifications (whether contained in the Manual or any other written or oral communication to

Franchisee by Franchisor) relating to the appearance or operation of the Store. Franchisee acknowledges that other Detail Garage Stores may operate under different forms of agreement with Franchisor, and that the rights and obligations of the parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspection**. To determine whether Franchisee is complying with this Agreement and Franchisor's standards and specifications, Franchisor reserves the right to supervise, determine and approve the standards of appearance, quality and service pertinent to the Store including, without limitation, the right at any reasonable time and without prior notice to Franchisee to: (1) inspect and examine the business premises, the auto detailing Products and equipment, facilities and operation of the Store in person; (2) interview Franchisee and Franchisee's employees, including its independent contractors; (3) interview Franchisee's customers, suppliers and any other person with whom Franchisee does business; (4) confer with members and staff of government agencies with authority over Franchisee about matters relevant to the Store; and (5) use "mystery shoppers," who may pose as customers and evaluate Franchisee and Franchisee's operations.

8.3 **Personnel.** Franchisee agrees to employ in the operation of the Store only persons of high character and ability, who maintain and exhibit traits of car enthusiasts, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of the System. Franchisee agrees to staff the Store at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with Franchisor's standards. All employees Franchisee hires or employs at the Store will be Franchisee's employees and Franchisee's employees alone, and will not, for any purpose, be deemed to be Franchisor's employees or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisor's authority under this Agreement to train and approve Franchisee's supervisorial or managerial personnel for qualification to perform certain functions at the Store does not directly or indirectly vest Franchisor with the power to hire, fire or control any of Franchisee's personnel. Franchisee will be solely responsible for all hiring and employment decisions and functions relating to the Store, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and to pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

8.4 **Products and Services to be Offered by Franchisee.**

A. Franchisee acknowledges that the presentation of a uniform image to the public and the

offering of uniform Products and services is an essential element of a successful franchise system. In order to insure consistency, quality and uniformity throughout the System, Franchisee agrees (1) to sell or offer for sale only the Products and services that have been expressly approved for sale by Franchisor; (2) to sell or offer for sale all Products and services required by Franchisor; (3) not to deviate from Franchisor's standards and specifications; and (4) to discontinue selling and offering for sale any Products or services that Franchisor may, in its discretion, disapprove at any time. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase auto detailing equipment, products or services for the Store. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase auto detailing Products, equipment, or services from approved suppliers as specified on the changed list. Franchisee agrees to keep the Store and auto detailing equipment in clean condition, with all equipment well-maintained and operational, and be able at all times during business hours to provide customers with all services and Products specified by Franchisor.

B. Franchisee agrees that all auto detailing Products and equipment must be purchased exclusively from approved suppliers and must be maintained according to the specifications of the manufacturer or Franchisor, as applicable.

C. If Franchisee proposes to offer for sale any Products or services that have not been approved by Franchisor, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product, supplier and/or service for a determination by the Franchisor whether such product, supplier, or service complies with the Franchisor's specifications and standards and/or whether such supplier meets the Franchisor's approved supplier criteria. Franchisor shall, within thirty (30) days, notify Franchisee in writing whether or not such proposed product and/or supplier or service is approved, as determined in Franchisor’s discretion. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor’s review, evaluation and approval of alternative suppliers. These charges may include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier, product, or service when Franchisor determines in its discretion that such supplier, product or service is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, and/or suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product or service that is no longer approved.

D. Franchisee acknowledges and agrees that Franchisor may become an approved supplier for auto detailing Products, equipment, and supplies, logo items, signage and artwork, that Franchisor may derive income from the sale of such items, and that the price charged by Franchisor may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies such items.

E. Franchisee acknowledges and agrees that Franchisor and/or its affiliates may sell products to customers located anywhere, even if such products are similar to what Franchisor and/or its affiliates sell to Franchisee and what Franchisee offers at the Store. Franchisor and/or its affiliates may use the internet or alternative channels of commerce to sell Detail Garage brand products.

F. Franchisee may only sell the Products and services from the Store's Authorized Location, and may not use the internet or alternative channels of commerce to offer or sell the Products and services. Nothing in the foregoing shall prohibit Franchisee from obtaining customers over the Internet provided Franchisee's Internet presence and content comply with the requirements of this Agreement.

8.5 **Credit Cards/Gift Cards**. Franchisee shall honor all credit cards and Gift Cards approved by Franchisor and shall participate in any gift card program or promotion, as directed by Franchisor. Franchisee must obtain the prior written approval of Franchisor prior to honoring any previously unapproved credit cards or other credit devices. Franchisee must offer for purchase all required Gift Cards and install and activate any hardware or software necessary to offer and redeem Gift Cards. Franchisee shall keep all communication connections and access to financial and credit card information secure in a manner which is in compliance with all legal requirements and security requirements of issuing credit card companies. Franchisee at all times must comply with all payment card industry data security standards ("PCI") laws and regulations including any laws applicable to abandoned property and escheat and shall hold Franchisor harmless from any and all claims and liabilities.

8.6 **Compliance with Laws.**

A. Franchisee agrees to comply with all federal, state and local laws, rules, and regulations and shall as soon as practicable, but in any event prior to the opening for business of the Store, obtain all municipal and state permits, certificates or licenses necessary to operate the Store and shall file and publish, if required by applicable law, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee shall make all such permits, licenses and certificates available for inspection by representatives of Franchisor prior to opening the Store for business and, thereafter, at all times during Franchisee's business hours. Franchisee shall operate and maintain the Store in strict compliance with all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to provide Franchisor immediately with a copy of any notice received by Franchisee from any state, local or governmental agency pertaining to compliance with any codes or requirements, or the failure to comply with any codes or requirements, at the Store. Franchisee acknowledges and agrees that it has the sole responsible to investigate and comply with any applicable laws in the state where the Store is located that are specific to the operation of a retail business specializing in the sale of auto-parts, auto-detailing, cleaning supplies and/or related services.

B. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorneys' fees, costs, and interest) arising from or related to any breach of the certifications set forth in this paragraph.

C. Franchisee shall manage the Store and its staff in compliance with all laws, the Manual and any other general policies as prescribed by Franchisor. Franchisee agrees to abide by all

employment laws, including, without limitation, Title VII of the Civil Rights Act, Family and Medical Leave Act, ADA, Consolidated Omnibus Budget Reconciliation Act, Fair Labor Standards Act, all state wage and hour laws, Internal Revenue Code and the immigration laws. Franchisor may from time to time provide information or training to assist Franchisee in gaining knowledge about applicable laws, but this does not in any way relieve Franchisee of its full responsibility and sole obligation to comply with such laws.

D. Franchisee shall honor all credit, charge, courtesy and cash cards that Franchisor approves in writing. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of products and services at the Store, Franchisee is required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of this Agreement. Franchisee is responsible for the security of cardholder data in its possession or control and in the possession or control of any of its employees that Franchisee engages to process credit cards. At Franchisor's request, Franchisee agrees to provide appropriate documentation to Franchisor to demonstrate compliance by Franchisee and all its employees with the "Payment Card Industry Data Security Standard" ("PCI DSS") requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, Franchisee must immediately notify Franchisor in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. In the event of termination or expiration of this Agreement, Franchisee and its respective successors and permitted assigns shall ensure compliance with PCI DSS requirements even after expiration of this Agreement.

8.7 **Operational Efforts**. Franchisee is required to personally manage the Store during the first 6 months of operation, and Franchisor strongly recommends full term on-site management by Franchisee. Franchisee may designate a Store Manager to assist in the direct, day-to-day, supervision of the operations of the Store. The Store Manager must complete the initial training requirements and all additional training reasonably required by Franchisor. Franchisee agrees to keep Franchisor advised, in writing, of any manager involved in the operation of the Store and their contact information. Franchisee agrees to keep the Store open for the hours stated in the Manual and as deemed appropriate by Franchisor.

8.8 **Good Standing**. Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System requirements.

8.9 **Performance Standards**. Franchisee and Franchisor have a shared interest in the Store performing at or above the System Standards, and meeting a minimum sales quota ("Minimum Sales Quota"). Failure to meet these Performance Standards may result in a request for remedial action, additional training, and up to and including termination of this Agreement.

A. System Standards. Franchisor may choose, in its sole discretion, to evaluate the Store for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, and secret shopper reports.) Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Franchisee's employees, including its independent contractors, must meet minimum standards for courteousness and customer service. Franchisee must respond quickly to any and all negative reviews/criticisms pertaining to the Store on Social Media, and must maintain a certain minimum level

of positive reviews for each business rating system on Social Media (e.g., 3.5 stars on Yelp!), as set forth in the Manuals and elsewhere by Franchisor.

B. Minimum Sales Quota. Unless waived by Franchisor due to unique market conditions or the Store's size, Franchisee must meet a certain Minimum Sales Quota at the end of each year of the Store's operation under this Agreement. If Franchisee fails to achieve minimum Gross Sales in the amount of $350,000 by the end of the first year, and $450,000 by the end of each year thereafter remaining in the Term of this Agreement (i.e., 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 10th year), Franchisor may institute a corrective training program and/or require Franchisee to perform additional local marketing. If Franchisee fails to meet the Minimum Sales Quota for twenty-four (24) consecutive months at any time during the Term of this Agreement, Franchisor may institute a mandatory corrective training program or terminate this Agreement at its sole discretion.

9. ADVERTISING AND MARKETING

9.1 **Marketing Fund**.

A. Franchisor has established an advertising**,** publicity and marketing fund (the "Marketing Fund") to promote the Detail Garage Business and the Brand. Franchisee is required to make a contribution ("Marketing Fund Contribution") of three percent (3%) of its annual Gross Sales (as defined in Section 5.3) to the Marketing Fund. Such Marketing Fund Contribution will be payable to Franchisor, monthly, beginning one month from the day the Store is first opened for business. Upon thirty (30) days' notice to Franchisee, the Marketing Fund Contribution may be increased or decreased, at Franchisor's sole discretion, but shall not be higher than three percent (3%) of Franchisee's Gross Sales.

B. Franchisor has sole discretion over all matters relating to the Marketing Fund, and all related matters (consistent with its purposes and the provisions of this Agreement). The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the Internet; administration expenses; legal fees incurred by or spent defending the Marketing Fund, brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Stores and the brand; agency and consulting services; research, any expenses approved by Franchisor and associated with franchisee advisory groups (if any); and all or portions of the salaries, benefits or expenses of people Franchisor employs who work on Marketing Fund matters (except that such salaries, benefits or expenses will be charged pro rata based on the time they spend on Marketing Fund matters.) Among other things, Marketing Fund Contributions may be used for website development/operation and to pay Internet, Intranet, URL, 800 or similar number, and other charges, fees and/or expenses. A brief statement regarding the availability of Detail Garage franchises may be included in advertising and other items produced using the Marketing Fund.

C. Franchisor and/or any Franchisor-Related Persons/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation must be reasonable in amount. Franchisor can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Marketing Fund.

D. The Marketing Fund will be accounted for separately and may be used to pay all

administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized by the relevant Franchise Agreements. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Fund aspect, whether imposed on Franchisor, the Marketing Fund or any other related party, will be the sole responsibility of the Marketing Fund. Franchisor is not required to audit the Marketing Fund and financial statements will not be made available for Franchisee to review. At the beginning of each year, Franchisor will prepare a marketing plan and forecasted budget for the Marketing Fund for the year, which will be furnished to Franchisee upon written request. Funds in the Marketing Fund must be expended, prior to termination of the Marketing Fund, only for the purposes authorized by the relevant Franchise Agreement(s). No profit, gain or other benefit will directly accrue to Franchisor from the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s).

E. Subject to the express requirements of this Agreement that contributions made by Franchisee will only be spent as authorized herein, Franchisee agrees that Franchisor may deny access to, and the benefits of, any and all programs and/or materials created by the Marketing Fund to any Detail Garage Franchisee who is not in Good Standing.

9.2 **Local Marketing Activities.**

A. Franchisee is responsible for local marketing activities to attract customers to the Store. Franchisee agrees to spend no less than 2% of its Gross Sales for the quarter on local advertising and promotion of the Store.

B. Franchisee's advertising will be in good taste and conform to ethical and legal standards and our requirements. Franchisee must submit to Franchisor samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise, that Franchisee proposes to use. Franchisor retains the right to approve or disapprove of such advertising, in its sole discretion. Franchisee agrees not to use any materials or programs disapproved by Franchisor.

C. Franchisor must approve any form of co-branding, or advertising with other brands, products or services, in writing, in advance.

9.3 **Promotional Events.** For regional trade shows, convention center activities, county fairs, and other similar promotional events that may take place in one franchisee's territory, but draw an audience from a wide geographic area, Franchisor will determine which franchisee or franchisees may participate, present and advertise at such shows, regardless of whether the actual activity takes place in a protected territory. Franchisor will either allow equal participation at such events, or rotating participation among several franchisees over a period of years, or, if Franchisee declines to participate in a trade show or other activity in the Protected Radius, Franchisor may permit other franchisees to participate. Franchisor may apply objective criteria (such as whether a franchisee is in Good Standing, has met Minimum Performance Standards, or has the capacity for the type of business advertised) in determining who may participate in any such show or event.

9.4 **Franchisee Marketing Group(s) ("Co-Ops").** Franchisor may decide to form one or more associations and/or sub-associations of Detail Garage Businesses to conduct various marketing-related

activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering Franchisee's area, then Franchisee must join and actively participate. Each Store will be entitled to one (1) vote, but in order to vote the Store must be in Good Standing. Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops.

9.5 **Franchisee Advertising Council**. Franchisor reserves the right, if necessary and in Franchisor's sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of Detail Garage Franchisees for the purpose of providing the Franchisor with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority.

10. FINANCIAL REPORTS, AUDITS, COMPUTER SYSTEM AND INSURANCE REQUIREMENTS

10.1 **Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Store as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor. Franchisee agrees that its financial records shall be accurate and up to date at all times. Franchisee agrees to promptly furnish any and all financial information, including tax records and returns, relating to the Store and of each of the principal owners to Franchisor on request.

10.2 **Right to Conduct Audit or Review**. Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Store including, without limitation financial records, books, tax returns, papers, and business management software programs of Franchisee at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Store or Franchisee's head office (if different), or both, and Franchisee agrees to provide all information pertaining to the Store requested by Franchisor during its review. If the review is done because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law. Franchisor shall have the right to conduct an audit and/or review of all information pertaining to the Store upon termination or expiration of this Agreement.

10.3 **Use of Financial Data, Customer Information, Surveys and Quality Controls**. Franchisee agrees that Franchisor has the right to use any financial report, performance report or statement of Franchisee, or any information derived from such reports or statements, relating to the Store, for statistical purposes, such as in an operational performance representation or for marketing the System, with or without Franchisee's name. Franchisee grants specific permission for Franchisor to use the data described herein in the manner described, and no further acknowledgement or permission by Franchisee is required for such use. Franchisee further consents to Franchisor's use and publication of income and expense information related to the Store, including identification of the Store by name,

within the System via Intranet or other non-public media. Franchisee agrees to comply with all State and Federal laws relating to consumer privacy, electronic privacy, credit card data and information protection and privacy. Franchisor shall also comply with all State and Federal laws relating to consumer privacy. Franchisor may, at Franchisor's expense, institute various programs for auditing customer satisfaction and/or other quality control measures. Franchisee agrees to request its customers to participate in any surveys performed by or on behalf of Franchisor, using forms prescribed by Franchisor from time to time. Furthermore, Franchisee hereby grants Franchisor the right to request and receive information from any third-party service provider or carrier that may be collecting or reporting on such information.

10.4 **Computer System, Equipment and Software.**

A. Franchisee must acquire a computer for use in the operation of the Store. Franchisee shall install and use the electronic data processing and communications hardware and software, including voicemail, business management software, and a point-of-sale ("POS") reporting system, as Franchisor may designate (collectively, the "Computer System") and pay any fees associated therewith. Franchisee agrees to maintain broadband connection to the required Computer System and to any other specified points of connection according to Franchisor's standards and specifications. Franchisee must upgrade and maintain the computer hardware and software and the POS system in the Store, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Franchisor reserves the right, at its sole discretion, to apply such upgrades or changes automatically and without notice in the event that Franchisee fails to promptly take action to operate the Store to required standards.

B. Franchisee agrees to record all of its receipts, expenses, invoices, customer lists, auto detailing appointments, and employee schedules and other business information promptly in the Computer System and use the software and POS system that Franchisor specifies or otherwise approves. Franchisor reserves the right to change the Computer System, and the accounting, business operations, customer service and other software at any time.

C. Data, including names, addresses, contact information, and credit card or payment information of customers of the Store will be captured on the required software, and will become the joint property of Franchisee and Franchisor during the Term of this Agreement. Franchisee is solely responsible for ensuring that the capture of customer data is done in compliance with any and all local, state, and federal privacy laws. Franchisor will have independent access to information Franchisee generates and stores in the Computer System, including full and unrestricted administrative access to the business, tax, and accounting information. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Store that is stored on the required software and online. Franchisor may use such information to communicate directly to the customers of the Store, and to provide updates, information, newsletters, and special offers to the customers. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the customer information and Franchisor shall be the sole owner of such information.

D. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology

in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 10.4 was periodically revised by Franchisor for that purpose.

E. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks.

F. Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

G. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Store.

10.5 **Insurance.**

A. Prior to the opening for business of the Store and throughout the entire term of this Agreement, Franchisee will keep in force at Franchisee's own expense and by advance payment of the premium, the following insurance coverages:

(1) Workers' Compensation and Employer's Liability Insurance as well as such other insurance, with statutory limits, as required by law in the jurisdiction where the Store is located. Employers Liability or "Stop Gap" insurance, with limits of not less than $1,000,000 each accident. Franchisee shall provide Franchisor with proof of Worker's Compensation and Employer's Liability Insurance in the form of a policy, binder or certificate;

(2) Commercial General Liability Insurance, Occurrence form, including a per location or project aggregate, with the following coverages: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; and products/completed operations; medical payments and fire damage liability; insuring you and us against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Store including general aggregate coverage in the following limits:

Required Coverage	**Minimum Limits of Coverage**
General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Damage to Rented Premises (each occurrence)	$100,000
Medical Expense (any one person)	$2,500

(3) "ALL RISK" or special property coverage of not less than current replacement cost of the Store' glass, equipment, fixtures and leasehold improvements sufficient in the amount to restore the Store to full operations; and

(4) If Franchisee has company-owned vehicles, automobile liability insurance for owned and non-owned automobiles including personal injury, wrongful death, and property damage with single limit coverage of at least One Million Dollars ($1,000,000).

(5) Cyber Liability Insurance with a minimum coverage amount as set forth in the Manual and/or as otherwise determined by Franchisor and communicated to Franchisee.

B. All insurance policies must be written by an insurance company licensed in the state in which Franchisee operates its Store. The insurance company must have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide.

C. Franchisor reserves the right, from time to time, in its discretion, to upgrade the insurance requirements or lower the required amounts as to policy limits, deductibles, scope of coverage, or rating of carriers in response to current industry standards, market conditions and/or landlord requirements. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

D. Franchisee's obligation to obtain and maintain the forgoing insurance policy or policies in the amounts specified shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Section 10.5 are separate and independent of Franchisee's indemnity obligations.

E. Additional Insured Endorsement. All insurance shall name Franchisor as an additional insured, waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

F. The insurance policies described above are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Franchisee shall provide Franchisor with copies of certificates of coverage, insurance policy endorsements, and other evidence of compliance with these requirements, at least annually, or as Franchisor periodically requires. Franchisee's failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Section 15.2, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee

will hold Franchisor harmless from all such losses, claims and/or causes of action. In addition, but not to the exclusion of the foregoing remedy, if Franchisee fails to procure or maintain the required insurance, Franchisor shall have the right and authority, but not the obligation, to procure immediately the insurance and Franchisee shall reimburse Franchisor for the cost of the insurance plus reasonable expenses immediately upon written notice. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Store. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor**. The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor, that the business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and that nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, general contractor, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties.

11.2 **Indemnification**. Franchisee shall indemnify, defend and hold harmless Franchisor, its current and former affiliates, and their respective officers, directors and employees, accountants, and lawyers against any and all suits, claims, liabilities, costs and expenses, including, without limitation, attorneys' fees in any way relating to, arising out of or in conjunction with Franchisee's conduct of the business licensed hereunder, or Franchisee's or Franchisee's employees' actions or inaction. Franchisor reserves the right to appoint its own attorney. Franchisee waives and releases all claims against Franchisor for damages to property or injuries to persons arising out of the operation of the Store, including any such claims currently unknown to Franchisee and arising at any time during the term of this Agreement.

12. CONFIDENTIAL INFORMATION

12.1 **Franchisor's Confidential Information**.

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Store, including, without limitation, the Manual, Franchisor's training program, customers and supplier lists, or other information or know-how distinctive to a Detail Garage Franchise (all of the preceding information is referred to herein as the "Confidential Information") are considered to be proprietary and trade secrets of Franchisor. Franchisee agrees that all Confidential Information is to be held in the strictest of confidence during and after the term of this Agreement and is not to be divulged to anyone directly or indirectly at any time, except to Franchisee's employees, including independent contractors, with a need to know the information in order to operate

the Store. Upon Franchisor's request, Franchisee shall require its employees and independent contractors to execute a nondisclosure and non-competition agreement in a form satisfactory to Franchisor. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the Store and agrees not to copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, nor otherwise make them available to any unauthorized person, nor use them in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use, duplication or disclosure of Franchisor's Confidential Information. If Franchisee or Franchisee's employees or independent contractors learn about an unauthorized use of any trade secret or confidential materials, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action, but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Store developed by or on behalf of Franchisee that relates to or enhances the System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents with respect thereto, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

12.2 **No Other Interests.** Franchisee further acknowledges that Franchisor would be unable to protect its Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Detail Garage Franchisees if its franchisees were permitted to hold an interest in other auto detailing businesses and otherwise to compete with Franchisor. Therefore, during the term of this Agreement, Franchisee must comply with the competitive covenant provisions of Article 13 herein.

12.3 **Injunctive Relief.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.1 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. COVENANTS NOT TO COMPETE

13.1 **Non-Competition Covenants of Franchisee.** To prevent a conflict of interest and unfair competition based upon Franchisee's knowledge and use of the System, the Marks, and other Confidential Information, Franchisee, including all officers, directors, holders of beneficial interests of Franchisee, members, general partners, any limited partners and their respective spouses and immediate family members, covenant and agree, pursuant to this Agreement, that Franchisee, shall not without Franchisor's prior written consent, directly or indirectly, as an individual, owner, partner,

stockholder, member, employer, employee, consultant, or in any other capacity, participate in or share the earnings or profits of any auto detailing business, any auto detailing marketing or consulting business, any business offering products of a similar nature to those of the Store, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses: (i) during the term of this Agreement and any extensions or renewals, at any location other than the Store, (ii) for two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement anywhere within a five (5) mile radius of any Detail Garage brand businesses, whether franchised or owned by Franchisor or any of Franchisor's affiliates, and (iii) for two (2) years after Franchisee has assigned its interest in this Agreement anywhere within a five (5) mile radius of any Detail Garage Business, whether franchised or owned by Franchisor or any of Franchisor's affiliates.

13.2 **Franchisor's Right to Offer or Sale Franchise to Employee of Franchisee.** Franchisee acknowledges that Franchisor has the right to offer to sell or to sell a Detail Garage franchise to any employee of Franchisee.

13.3 **Enforcement of Covenants.**

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, and interest on such fees, costs and expenses, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1 **Franchisor's Approval Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Store, any of its rights hereunder, or in the lease for the premises at which the Store is located, and any purported sale, assignment, transfer, pledge or encumbrances shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the Percentage of Ownership Interest reflected in Section 17.3 of this Agreement must promptly be reported to Franchisor and is a "transfer" within the meaning of this Article 14.

14.2 **Right of First Refusal**.

A. No transfer by Franchisee shall be permitted nor be binding on Franchisor unless a written offer has first been made to Franchisor of the proposed transfer. Franchisee shall provide Franchisor the following: (i) a purchase agreement or letter of intent signed by the proposed transferee and by Franchisee specifying all the terms and conditions of the offer, (ii) the name, address and telephone number of the proposed assignee, (iii) a copy of the most recent income statement and the income statement for the Store's last fiscal year end, (iv) financial statements of the proposed transferee, and (v) any other information or documents as may be reasonably be requested by Franchisor. Franchisor shall have thirty (30) days from receipt of all of the above information to accept the offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee.

B. In the event that Franchisor does not exercise its right of first refusal and the offer changes in any way, or another offer is made to Franchisee, this new offer must also be presented to Franchisor before Franchisee may consummate the new offer. Franchisor has thirty (30) days to accept the new offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee. Any offer that Franchisor does not match must be transacted within ninety (90) days from the date that Franchisor informs Franchisee of its intent not to exercise its right of first refusal. If the transaction does not take place within ninety (90) days, Franchisor has the right to re-evaluate and match the offer if it elects to do so by notice to Franchisee.

14.3 **Conditions for Approval of Transfer.** If the required offer has been made and the offer has not been accepted by Franchisor within the acceptance period, Franchisor shall not unreasonably withhold its approval of a proposed transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then-current standards for franchisees; and that the following conditions are met: (1) Franchisee must be in compliance with this Agreement, the Manual, and all other agreements between Franchisee and Franchisor (including any of its affiliates), and all leases/subleases with any party, and the transferee must expressly assume all obligations under all such agreements; (2) Franchisee must come current on all amounts owed to Franchisor and/or Franchisor's affiliate(s). Any and all promissory notes owed by Franchisee to Franchisor and/or Franchisor's affiliates shall be accelerated and paid in

full; (3) Franchisee pays Franchisor a Transfer Fee in an amount equal to fifty percent (50%) of the then-current Initial Franchise Fee; (4) Franchisee signs a general release of all claims in Franchisor's standard form; (5) the Store and auto detailing equipment must be upgraded, refurbished or repaired if Franchisor, in its sole discretion, decides it's necessary; and (6) the transferee attends and successfully completes the Initial Training Program at SDU, at its own expense.

14.4 **Permitted Transfers to a Corporation or LLC or Affiliate Company**. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation or limited liability company that is wholly-owned by Franchisee and formed for the convenience of ownership, it may do so without approval from Franchisor, and without payment of a transfer fee, so long as the terms and conditions of the this Agreement remain unchanged, and the Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or limited liability company as he or she had in Franchisee prior to the transfer.

14.5 **Death or Disability of Franchisee**. In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a transfer by Franchisee (provided that the responsible supervisorial or managerial personnel or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training) nor obligate Franchisee to pay any transfer fee (provided, however, the then-current additional training fee shall be payable if there is to be new management of the Store who have not previously received the Initial Training provided by Franchisor) nor give rise to Franchisor's right of first refusal, although such refusal right or obligation to pay shall apply to any proposed transfer by such heirs, trust, personal representative or conservators. If Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Store, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Store on behalf of Franchisee. Franchisee shall be obligated to, and shall pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Store during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, loses or obligations incurred by the Store, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Store during any period in which it is managed by a Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section 14.5.

14.6 **Relocation of Store**. Any relocation shall (i) be to a location within the same site selection area (unless waived by us), (ii) require Franchisor's prior written consent, which it may grant, condition or withhold in its sole discretion (and which may be withheld, in any case, if you are not in Good Standing), (iii) be at Franchisee's sole expense, and (iv) require that Franchisee (and each owner of Franchisee) sign a General Release.

14.7 **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1 **Termination of Franchise by Franchisee**. If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure or remedy such breach within thirty (30) days after written notice thereof delivered from Franchisee, Franchisee may terminate this Agreement. Such termination will be effective thirty (30) days after delivery to Franchisor of notice that such breach has not been cured or remedied and Franchisee elects to terminate this Agreement, except that if such cure, by its nature, may take longer than thirty (30) days to cure, then Franchisee may not terminate this Agreement so long as Franchisor is making a good faith effort to cure or remedy the breach. A termination by Franchisee for any other reasons shall be deemed a termination by Franchisee without cause.

15.2 **Termination of Franchise by Franchisor**. Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches set forth below:

A. **Immediate Termination**. Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(1) Franchisee has made any material misrepresentation or omission in applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(2) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(3) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for 30 days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(4) Franchisee voluntarily abandons or discontinues to actively operate the Store for two (2) business days or more in any twelve (12) month period, and it is readily apparent that Franchisee has closed or abandoned the Store and has discontinued operations;

(5) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(6) Franchisee makes an unauthorized direct or indirect transfer or attempted or purported transfer of this Agreement, or makes an unauthorized direct or indirect transfer or attempted or purported transfer of an ownership interest in the Franchise, or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

(7) Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement;

(8) Franchisee's disclosure, utilization, or duplication of any portion of the System, the Manual or other proprietary or Confidential Information relating to the Store that is contrary to the provisions of this Agreement;

(9) Franchisee violates any health or safety law, ordinance or regulation or operates the Store in a manner that presents a health or safety hazard to its customers or to the public;

(10) Franchisee fails to obtain lawful possession of an acceptable location and to open for regular, continuous business as a Detail Garage Store within twelve (12) months after this Agreement is accepted by Franchisor;

(11) Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Store is located;

(12) Franchisee fails to comply with the covenants not to compete as required in Article 13 herein; or

(13) Franchisee, after curing a default pursuant to Section 15.2B herein, commits the same act of default again within any twelve (12) consecutive month period whether or not such default is cured after notice thereof is delivered to Franchisee, or if Franchisee received three (3) or more default notices from Franchisor within any twelve (12) consecutive monthly period whether or not such defaults were related to the same problem or were cured after notice thereof was delivered to Franchisee.

B. **Termination with Notice**. In addition to the provisions of Section 15.2A, if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (and 10 days prior notice in the event of a default described in Subsections (6), (7) and (8) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement. If any such default is not cured within the specified cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the cure period. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Agreement:

(1) Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement;

(2) Franchisee's failure to comply with any provision of this Agreement that does

not otherwise provide for immediate termination, or failure to comply with the Manual, or Franchisee's bad faith in carrying out the terms of this Agreement;

(3) Failure by Franchisee to maintain books and financial records for the Store suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Detail Garage Store;

(4) Franchisee, or if Franchisee has elected not to directly supervise "on-premises" the day-to-day Store operations, then Franchisee's Store Manager, fails to complete, to Franchisor's satisfaction, the Initial Training Program, as provided in this Agreement.

(5) Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Store;

(6) Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Store;

(7) Franchisee closes any bank account without completing all of the following after such closing: (i) immediately notifying Franchisor in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer as Exhibit 2 to this Agreement permits;

(8) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement;

(9) Any transfer or attempted transfer by Franchisee or any partner, member or shareholder in Franchisee of any rights or obligations under this Agreement to any third party without the prior written consent of Franchisor;

(10) Franchisee offers, in conjunction with the operation of the Store, Products or services that have not been approved by Franchisor;

(11) Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the business as established by Franchisor; or

(12) Franchisee fails to comply with the Performance Standards as set forth in the provisions of this Agreement, as prescribed by Franchisor, or in the Manual, including, but not limited to, the System Standards for cleanliness, customer service, equipment maintenance, and any other System Standards which effect or enhance the customer experience at the Store; and the Minimum Sales Quota.

15.3 **Cross-Default.** If there are now, or hereafter shall be, other Franchise Agreements or any other agreements in effect between Franchisee and Franchisor and/or any of Franchisor's affiliates, a default by Franchisee under the terms and conditions of this or any other such agreement, shall at the option of

Franchisor, constitute a default under all such agreements.

15.4 **Obligations of Franchisee upon Termination, Expiration or Non-Renewal.** Immediately upon termination, expiration or non-renewal of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor.

B. Franchisee shall cease to be an authorized Detail Garage franchise owner, and shall immediately, at its own expense, remove all signs, obliterate or remove all letterheads, labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, System and any other copyrighted information or materials or any confidential information Franchisee obtained as a result of the franchise granted to Franchisee.

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Detail Garage Franchisee, and relinquish all Social Media account/user names, passwords, etc. pertaining to the Store, including, but not limited to any username or profile name that includes the Detail Garage tradename, any of the Marks, or any confusingly similar terms, to Franchisor.

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Proprietary Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement.

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor.

F. Franchisee shall pay all sums owing to Franchisor. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default.

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement.

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Store.

I. Franchisor shall have the option**,** exercisable by giving written notice thereof within thirty (30) days from the date of such termination, expiration or non-renewal to purchase any and all equipment, furniture, fixtures, signs, sundries and supplies owned by Franchisee and used in the Store, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry

standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Store. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Store, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the system or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Store, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease.

If the parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third-party appraiser without regard to goodwill or going concern value, designated by Franchisor and acceptable to Franchisee, whose determination shall be final and binding on both parties. The cost of such appraisal shall be borne equally by Franchisor and Franchisee. If the parties cannot agree upon an appraiser one shall be appointed by the American Arbitration Association, upon petition of either party.

Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Store and to pay such debts and liabilities from such funds.

J. Termination, expiration or non-renewal of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

15.5 **Franchisor's Rights and Remedies in Addition to Termination.**

A. If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including, without limitation, entering upon and taking possession of the Store and to taking in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Store.

B. As an alternative to Franchisor's exercising its rights under Section 15.5A, above, and only in the event of a premature termination of this Agreement, Franchisee shall pay Franchisor liquidated damages in an amount equal to the sum of the royalties paid to Franchisor for the twenty-four (24) months prior to the termination of this Agreement. Franchisee's payment to Franchisor would not be a penalty for breaching this Franchise Agreement, but rather a reasonable estimate of the losses Franchisor would incur in the event of the closure of Franchisee's Store. Should Franchisor elect to enforce its right to liquidated damages under this Subsection 15.5B, Franchisee's obligation to pay such damages would be in addition to Franchisee's obligations to (i) pay all amounts still owed to Franchisor, and (ii) adhere to Franchisee's other post-termination obligations. Franchisor's right to payment of

liquidated damages would be in addition to all other post-termination remedies available to Franchisor under the law.

C. If this Agreement is terminated by Franchisor with cause or Franchisee unilaterally attempts to terminate this Agreement without cause, then Franchisee may be liable for all unpaid future Royalty Fees, Marketing Fund Contributions, and lost profits, as well as any other direct, actual or consequential damages for the remainder of the Term of this Agreement.

16. RESOLUTION OF DISPUTES

16.1 **Mediation, Mandatory Binding Arbitration, and Waiver of Court Trial.** Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Franchisee and franchisor have agreed that the provisions of this Section 16 support these mutual objectives and, therefore, agree as follows:

A. **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, between or involving Franchisee and any of its affiliates, on the one hand, and Franchisor and any of its affiliates, on the other hand, arising out of, related to, or referencing this Agreement or its breach in any way, including, without limitation, any claim arising in contract or tort arising out of the relationship created by this Agreement, for equitable relief, or asserting that this Agreement is invalid, illegal, or void, ("Claim") shall be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 16.1 D:

(i) First, the Claim will be discussed in a face-to-face meeting held within thirty (30) days after either Franchisee or Franchisor gives written notice to the other proposing such a meeting. If the parties are unable to agree on a location for the meeting, the meeting shall take place at Franchisor's then-current headquarters.

(ii) Second, if the Claim is not resolved from the face-to-face meeting, it shall be submitted to non-binding mediation. Franchisee and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising, and will take place in the county where Franchisor's then-current headquarters is located. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Franchisee and Franchisor do not want to participate in mediation, then they shall proceed to arbitration as provided below.

(iii) Third, the Claim shall be submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

B. **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses.

C. **Fees and Costs**. In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

D. **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes seeking (a) injunctive relief as to the validity of the Marks and/or any intellectual property licensed to Franchisee and use of the Marks or other intellectual property licensed to the Franchisee, (b) injunctive relief for health and safety issues and violations, or (c) injunctive relief as to the validity and enforcement of the covenants not to compete, may be submitted to Court, provided that only the portion of any such claim or dispute requesting injunctive relief shall be subject to Court action, and any portion of such claim or dispute seeking monetary damages or other relief will be subject to the Claim Process outlined above in paragraph 16.1.A.

E. **Intentions of Franchisee and Franchisor**. Franchisee and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

(iii) Franchisee and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) **Franchisee and Franchisor each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement;

(v) In the Claim Process, Franchisee and Franchisor agree that each may bring claims against the other only in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no arbitrator may consolidate more than one

person's claims or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding; and

(vi) the terms of this Agreement (including but not limited to this Section 16) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Franchisee.

16.2 **Venue.** Without in any way limiting or otherwise affecting the obligations of Franchisee and Franchisor under Section 16.1 above, Franchisee and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in the county where Franchisor's then-current headquarters is located.

16.3 **Class Action Waiver.** To the extent any party brings any claim for relief, cause of action, or proceeding in court, Franchisee and Franchisor also agree that each may only bring such claims for relief, causes of action, or proceedings against the other in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

16.4 **Choice of Laws.** Franchisee and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Franchisee and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the Lanham Act (15 U.S.C. §1051 et seq.) and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning Franchisee and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of California; except (i) that the statutes or regulations regarding franchises (including, without limitation, investment, registration, disclosure, termination, and/or relationship laws) of the state where the Franchisee's Store is located shall apply to this Agreement and the parties' relationship instead of California's statutes or regulations regarding franchises; and (ii) the law of California will not govern the covenants not to compete in Article 13 of this Agreement. Instead, the covenants not to compete in Article 13 will be governed by the law of the state where the Franchisee's store is located. Franchisee and Franchisor agree that this provision shall be enforced without regard to the laws of California relating to conflicts of laws or choice of law.

16.5 **Binding Effect, Modification.** This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified or supplemented except by means of a written agreement signed by both Franchisee and Franchisor's President or one of Franchisor's Vice Presidents. However, Franchisee and Franchisor understand and agree that changes to the Manual made in accordance with this Agreement are binding and do not require any acceptance by Franchisee, written or otherwise, to be effective and enforceable. No other officer, field representative, salesperson or other person has the right or authority modify this Agreement, or to make any representations or agreements on Franchisor's behalf, and any such modifications, representations and/or agreements will not be binding.

16.6 **Non-Retention of Funds.** Neither party has the right to offset or withhold payments of any kind owed or to be owed to the other against amounts purportedly due as a result of any dispute of any nature or otherwise, except as authorized by an arbitration award, or as expressly provided otherwise in this Agreement.

17. MISCELLANEOUS PROVISIONS

17.1 **Severability of Provisions.** Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

17.2 **Waiver and Delay**. No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

17.3 **Designation of Responsible Parties**. Franchisee represents and warrants to Franchisor that the list below states: (i) the name, mailing address and equity interest of each person holding any shares or other form of ownership, or security interest convertible into an equity interest, in Franchisee, showing percentage of ownership held by each and (ii) the name and mailing address of the individual(s) who will be the principal franchisee-operator(s) (the "Designated Operator(s)") of the business franchised hereunder. The Designated Operator(s) (there may be up to two such individuals but only one address to which Franchisor communicates regarding the franchise) named has the authority to act for Franchisee in all matters relating to the Detail Garage Franchise, including voting responsibilities. Only those individuals who are party to this Agreement and have an ownership interest in the franchise entity may be listed as a Designated Operator(s). Franchisee shall promptly notify Franchisor of any change in any such information. Any change in the Designated Operator(s) or in shareholder information is subject to Article 14 and the training requirements of this Agreement:

Franchisee is a ☐ _____, organized under the laws of _____, or ☐ Franchisee is an individual or group of individuals, and hereby represents and warrants that the information stated below is true and accurate as of the date set forth below:

Shareholder, Partner, Member or Individual Name and Address	**Percentage of Ownership Interest**
_____	_____
_____	
_____	
_____	_____
_____	
_____	

Designated Operator(s): _____

17.4 **Franchisor's Discretion**. Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the System and may not be in the best interest of Franchisee as an individual franchise owner.

17.5 **Notices**.

A. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

If to Franchisor:

Detail Garage, LLC
14108 S. Western Ave.
Gardenia, California 90249
Attention: David Knotek

If to Franchisee:

_____
_____
_____

B. The addressees herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand.

17.6 **No Recourse Against Nonparty Affiliates.** All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No Person who is not a Contracting Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without

limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective Third-Party Beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other Person or entity.

17.7 **Force Majeure.** Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

18. ACKNOWLEDGMENTS

18.1 THE SUBMISSION OF THE AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

18.2 THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.3 Franchisee acknowledges and agrees that Franchisor may elect to keep only electronic copies of any and all documents and records pertaining to the Franchised Business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

19. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the parties concerning the granting, awarding and licensing of Franchisee as an authorized Detail Garage Franchisee at the Authorized Location and supersedes all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective upon execution by Franchisor.

FRANCHISOR

Detail Garage, LLC
a California limited liability company

By:_____

Print Name: _____

Title: _____

Date Approved: _____

FRANCHISEE

If Franchisee is an individual:

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Title: _____

Date: _____

EXHIBIT 1 TO
DETAIL GARAGE FRANCHISE AGREEMENT

AUTHORIZED LOCATION ADDENDUM

This Addendum is made to the Detail Garage Franchise Agreement (the "Franchise Agreement") between Detail Garage, LLC ("Franchisor"), and _____ ("Franchisee"), dated _____, 20__.

1. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location for Store, if applicable**. The parties hereto agree that the Authorized Location referred to in Section 1.3 of the Franchise Agreement shall be the following:

_____.

3. **Protected Radius, if any.** The parties hereto agree that Franchisee will receive a non-exclusive protected radius of_____ around the Authorized Location.

This Addendum is agreed to and accepted by the parties this ___ day of _____, 20__.

"FRANCHISOR"
Detail Garage, LLC
a California limited liability company

By:_____

Print Name: _____

Title: _____

"FRANCHISEE"

If Franchisee is an individual:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Print Name: _____

Title: _____

EXHIBIT 2 TO THE
DETAIL GARAGE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Electronic Funds Transfer Agreement (the "Agreement") is made on this ___day of _____, 20__ by and between Detail Garage, LLC ("Franchisor"), and _____ or their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee").

Whereas, Franchisor and Franchisee are parties to a Detail Garage Franchise Agreement executed on even date herewith (the "Franchise Agreement") and desire to enter into an Addendum to the Franchise Agreement;

Now, therefore in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Addendum and the Franchise Agreement (including, without limitation, the Royalty Fees, contributions to the Marketing Fund, and any other payments due to Franchisor by Franchisee, and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively "electronic funds transfers" or "EFT"'), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Upon execution and delivery of this Agreement, Franchisee shall execute and deliver two (2) originals of the "Electronic Debit Authorization" attached as Exhibit 3 to the Franchise Agreement, which authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Addendum) in connection with such EFT.

C. By executing this Addendum, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee's bank account for all fees and other charges in connection with the Franchise Agreement and this Addendum, as described in the first sentence of this paragraph. Franchisee authorizes monthly ACH debits via EFT based on an amount equal to the total monthly amount(s) due Franchisor, as set forth in Section 5 of the Franchise Agreement.

D. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's bank for any reason and a Fifty Dollar ($50) charge by Franchisor for processing the EFT. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Addendum directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's discretion. It shall be a non-curable event of default under Article 15 of the Franchise Agreement if Franchisee closes any bank account without completing all of the following forthwith after such closing: (1) immediately notifying Franchisor thereof in writing, (2) immediately establishing another bank account, and (3) executing and

delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Addendum permits.

E. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

F. Wherefore, the parties have set forth their hand and seal on the day and date first above written.

"FRANCHISOR"
Detail Garage, LLC
a California limited liability company

By:_____

Print Name: _____

Title: _____

"FRANCHISEE"

If Franchisee is an individual:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

If Franchisee is a corporation or other entity:

_____
[Name of Franchisee]

By: _____

Print Name: _____

Title: _____

EXHIBIT 3 TO THE
DETAIL GARAGE FRANCHISE AGREEMENT

ELECTRONIC DEBIT AUTHORIZATION

FRANCHISOR: Detail Garage, LLC

FRANCHISOR ID NUMBER: _____

The undersigned hereby authorizes Detail Garage, LLC (the "Franchisor"), to initiate debit entries to the undersigned's checking account indicated below and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____
Branch: _____
City State and Zip Code: _____
_____
Transit/ABA No.: _____
Account Number: _____

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Exhibit 2 to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts with which I/we open accounts during the term of the Franchisee Agreement and any renewals. Without limiting the generality of the forgoing, I/we understand that if I/we close any bank account, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.

DATE: _____

ID NUMBER: _____

PRINT NAME(S): SIGNATURE(S):

_____ _____

_____ _____

EXHIBIT 4 TO THE
DETAIL GARAGE FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Detail Garage, LLC (the "Franchisor") to execute the Detail Garage Franchise Agreement (the "Franchise Agreement"), of even date herewith, by and between Franchisor and _____ or his assignee, if a partnership, corporation or limited liability company is later formed (the "Franchisee"), _____ (the "Guarantor(s)"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement, including all of Franchisee's monetary obligations arising under or by virtue of the Franchise Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee not to disclose confidential information.

This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced

to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

This Guarantee is to be performed in Los Angeles County, California and shall be governed by and construed in accordance with the laws of the State of California. Guarantor(s) specifically agrees that the state and federal courts situated in Los Angeles County, California shall have exclusive jurisdiction over Guarantor(s) and this Guarantee, and further agrees that any action relating to this Guarantee may be brought solely in either the Superior Court of Los Angeles County, or the United States District Court for the Central District of California, located in Los Angeles County. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of California as his agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Article 16 of the Franchise Agreement (except as otherwise provided in Article 16 of the Franchise Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Franchise Agreement.

WITNESS:

_____

_____

GUARANTOR

By: _____

SS #: _____

DOB: _____

Driver's License No. _____

WITNESS:

_____

_____

GUARANTOR

By: _____

SS #: _____

DOB: _____

Driver's License No. _____

EXHIBIT 5 TO THE
DETAIL GARAGE FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") modifies and supplements that certain lease dated _____ and entered into by Tenant and Landlord concerning the Location at _____(the "Lease").

Landlord and Tenant, intending that Detail Garage, LLC, ("Franchisor") (and its successors and assigns) be a third-party beneficiary of this Addendum, agree as follows:

(1) Landlord shall, during the term of the Lease and thereafter, provide Franchisor all sales and other information it may have, whether provided by Tenant or otherwise, related to the operation of Tenant's Store as Franchisor may reasonably request.

(2) Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or Products offered at the Store, including the name "Detail Garage," the Store design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by the Manual, subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord.

(3) Tenant shall not, and the Landlord shall not permit the tenant to, sublease or assign all or any part of the Lease or the Premises, or extend the term or renew the Lease, without Franchisor's prior written consent.

(4) Landlord shall concurrently provide Franchisor with a copy of any written default notice sent to Tenant and thereupon grant Franchisor the right (but not the obligation) to cure any deficiency or default under the Lease, should Tenant fail to do so, within five (5) days after the expiration of the period in which Tenant may cure the default.

(5) The Premises shall be used only for the operation of a Detail Garage Store.

(6) Tenant may, without Landlord’s consent (but subject to providing Landlord with written notice thereof), at any time assign this Lease or sublease the whole or any part of the Premises to Franchisor or any successor, subsidiary or affiliate of Franchisor.

(7) In the event of an assignment of the Lease to Franchisor as described in (6) above, Franchisor may further assign this Lease, subject to Landlord's consent, such consent not to be unreasonably withheld based on the remaining obligations of assignee under the Lease, to a duly authorized franchisee of Franchisor, and thereupon Franchisor shall be released from any further liability under the Lease.

(8) Until changed by Franchisor, notice to Franchisor shall be sent as follows:

Detail Garage, LLC
14108 S. Western Ave.
Gardenia, California 90249
Attention: David Knotek

(9) None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

AGREED:

TENANT	LANDLORD
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

Exhibit B
To Franchise Disclosure Document

LIST OF STATE AGENTS FOR SERVICE OF PROCESS
AND STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection and Innovation
One Sansome Street
Suite 600
San Francisco, CA 94104
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: https://dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

CONNECTICUT
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

FLORIDA
Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

HAWAII
(for service of process)
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

(state agency)
Department of Commerce &
Consumer Affairs
King Kalakaua Building
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813
Tel: (808)586-2722
Fax: (808) 587-7559

ILLINOIS
Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
(for service of process)
Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204

(state agency)
Securities Commissioner
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington Street,
Room E-111
Indianapolis, Indiana 46204
Tel: (317) 232-6681

IOWA
Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

MARYLAND
(for service of process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

(state agency)
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
Tel: (410) 576-6360

MICHIGAN
(for service of process)
Michigan Department of Consumer and Industry Services
Bureau of Commercial Services
Corporations Division
PO Box 30054
Lansing, Michigan 48909
Tel: (517) 241-6470

MICHIGAN
(state agency)
Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
670 Law Building
Lansing, MI 48913
Tel: (517) 373-7117

MINNESOTA
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
Tel: (651) 539-1600

NEBRASKA
Gene Schenkelberg, Securities Analyst
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 417-3445

NEW YORK
(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21St Floor
New York, NY 10005
Tel: (212) 416-8236

NORTH DAKOTA
(for service of process)
North Dakota Securities Commissioner
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510

(state agency)
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510
Tel: (701) 328-2910

OREGON
Director, Department of Consumer &
Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4140
Fax: (503) 947-7862
Email: dcbs.dfcsmail@state.or.us

RHODE ISLAND
Director
Securities Division
Department of Business Regulation,
Building 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

SOUTH DAKOTA
Director, Department of Labor and
Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

TEXAS
Statutory Document Section
Secretary of State
1719 Brazos
Austin, Texas 78701
Attn: Dorothy Wilson
Tel: (512) 475-1769

UTAH
Director, Division of Consumer Protection
Utah Dept. of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

(state agency)
Director
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Tel: (804) 371-9051

WASHINGTON
(for service of process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

(state agency)
Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
Tel: (360) 902-8760
Fax: (360) 902-0524

WISCONSIN
Commissioner of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
Tel: (608) 266-2801

Exhibit C
To Franchise Disclosure Document

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIODS ENDED MARCH 31, 2021, AND JUNE 30, 2021

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

Detail Garage, LLC
Balance Sheet (unaudited)
June 30th 2021

Current Assets	
Cash	396,027
Accounts receivable, Net	74,264
Notes receivable, current portion	190,012
Inventory	116,668
Prepaid expenses and other assets	89,450
	866,422
Other Assets	
Property and Equipment	93,854
Notes Receivable, net of current portion	466,389
	560,242
Total Assets	1,426,664
Current Liabilities	
Accounts payable	160,969
Deferred revenue, current	133,250
Due to Smart LLC	1,859,093
Other liabilities	95,059
	2,248,371
Noncurrent Liabilities	
Deferred Revenue, net of current portion	918,021
Member's Deficit	(1,739,727)
Total Liabilities and Member's Deficit	1,426,664

Detail Garage, LLC
Statement of Operations and Member's Deficit (unaudited)
June 30th 2021

Revenue	1,431,873
Operating and Administrative Expenses	1,230,566
Net Income	201,307
Member's Deficit at Beginning of Year	(1,941,034)
Member Deficit at June 30th 2021	(1,739,727)

DETAIL GARAGE, LLC

BALANCE SHEET

ASSETS

	March 31,2021
CURRENT ASSETS	
Cash	$ 111,975
Accounts receivable, net	175,662
Current portion of inventory loans receivable	207,010
Prepaid expenses and other assets	202,737
	697,383
OTHER ASSETS	
Inventory loans receivable, net of current portion	417,504
Property and equipment	93,854
	511,358
TOTAL ASSETS	$ 1,208,741

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES	
Accounts payable	$ 68,631
Deferred revenue, current	131,463
Due to Smart LLC	1,563,409
Other liabilities	248,548
	2,012,051
NONCURRENT LIABILITIES	
Deferred revenue, net of current portion	975,825
MEMBER'S DEFICIT	(1,779,135)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 1,208,741

UNAUDITED
DETAIL GARAGE, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT

	March 31,2021
REVENUES	$ 617,326
OPERATING AND ANDMINISTRATIVE EXPENSES	455,427
NET INCOME	161,898
MEMBER'S DEFICIT AT BEGINNING OF YEAR	(1,941,033)
MEMBER'S DEFICIT AT END OF YEAR	$ (1,779,135)

Detail Garage, LLC

Financial Statements

December 31, 2020 and 2019

WINDES
AUDIT | TAX | ADVISORY

CONTENTS

Independent Auditors' Report..... 1

Balance Sheets..... 2

Statements of Operations and Member's Deficit..... 3

Statements of Cash Flows..... 4

Notes to the Financial Statements..... 5-8

INDEPENDENT AUDITORS' REPORT

To the Member of
Detail Garage, LLC:

We have audited the accompanying financial statements of Detail Garage, LLC, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial 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 financial statements referred to above present fairly, in all material respects, the financial position of Detail Garage, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Long Beach, California
March 25, 2021

DETAIL GARAGE, LLC

BALANCE SHEETS

ASSETS

	December 31, 2020	December 31, 2019
CURRENT ASSETS		
Cash	$ 109,528	$ 1,137,012
Accounts receivable, net	102,734	280,166
Notes receivable, current portion	120,029	-
Prepaid expenses and other assets	99,893	40,000
	432,184	1,457,178
OTHER ASSETS		
Property and equipment	93,854	-
Notes receivable, net of current portion	124,827	-
	218,681	-
TOTAL ASSETS	$ 650,865	$ 1,457,178

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES		
Accounts payable	$ 109,713	$ 9,127
Deferred revenue, current	139,713	128,754
Due to Smart LLC	1,228,952	1,247,714
Other liabilities	113,309	4,155
	1,591,687	1,389,750
NONCURRENT LIABILITIES		
Deferred revenue, net of current portion	1,000,211	1,007,216
MEMBER'S DEFICIT	(1,941,033)	(939,788)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 650,865	$ 1,457,178

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

DETAIL GARAGE, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT

	For the Year Ended December 31,	
	2020	**2019**
REVENUE	$ 1,500,606	$ 1,262,241
OPERATING AND ADMINISTRATIVE EXPENSES	2,501,851	1,647,316
NET LOSS	(1,001,245)	(385,075)
MEMBER'S DEFICIT AT BEGINNING OF YEAR	(939,788)	(554,713)
MEMBER'S DEFICIT AT END OF YEAR	$ (1,941,033)	$ (939,788)

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

DETAIL GARAGE, LLC

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,001,245)	$ (385,075)
Adjustments to reconcile net loss		
to net cash from operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	177,432	(231,084)
Prepaid expenses and other assets	(59,893)	(40,000)
Accounts payable	100,586	9,127
Deferred revenue	3,954	352,095
Due to Smart LLC	(18,762)	816,244
Other liabilities	109,154	1,098
Net Cash Provided By (Used In) Operating Activities	(688,774)	522,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(93,854)	-
Issuance of notes receivable	(293,142)	-
Repayment of notes receivable	48,286	-
Net Cash Used In Financing Activites	(338,710)	-
NET CHANGE IN CASH	(1,027,484)	522,405
CASH AT BEGINNING OF YEAR	1,137,012	614,607
CASH AT END OF YEAR	$ 109,528	$ 1,137,012

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

DETAIL GARAGE, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – Organization and Operations

Detail Garage, LLC (the LLC) is a franchisor of operating rights to retail stores that offer a complete line of car care products, auto detailing supplies, car accessories, and training classes. The corporate offices for the LLC are located in Gardena, California. The LLC is a wholly owned subsidiary of CG Group Holdings, LLC.

The term of the LLC is the earlier of dissolution or as provided by law. The LLC's member has limited liability for obligations and debts of the LLC.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the LLC is presented to assist in understanding the LLC's financial statements. The financial statements and notes are representations of the LLC's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles applied in the preparation of the financial statements for December 31, 2020 and 2019.

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, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. The LLC bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances at the time. Actual results could differ from those estimates.

Revenue Recognition

Revenue from contracts with customers consists primarily of initial franchise fees, royalties, and marketing fund contributions. The LLC's performance obligations under franchise agreements consist of (a) a franchise license, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the marketing fund, development of price lists, operations manuals, and training materials. These performance obligations are highly interrelated so are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation, which is satisfied by providing a right to use intellectual property over the term of each franchise agreement.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Initial franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Royalties, including franchisee contributions to the marketing fund, are calculated as a percentage of franchise sales over the term of the franchise agreement. Initial and renewal franchise fees are payable by the franchisee prior to the opening or at the time of a renewal of an existing franchise agreement. The franchise agreement royalties, inclusive of marketing fund contributions, represent sales-based royalties that are related entirely to the LLC's performance obligation under the franchise agreement and are recognized as franchise sales occur.

The following table presents disaggregated revenue from contracts with customers:

	For the Year Ended December 31,	
	2020	**2019**
Franchise fees	$ 218,546	$ 100,032
Royalties	867,525	820,703
Marketing fees	353,887	341,506
Other	60,648	-
	$ 1,500,606	$ 1,262,241

Franchise fee payments received by the LLC are recorded as deferred revenue on the balance sheet, which represents a contract liability. Deferred revenue is reduced as fees are recognized in revenue over the term of the franchise license for the respective franchisee. The term of a franchise license is typically ten years.

Accounts Receivable

Accounts receivable primarily represents amounts from customers for franchise fees, royalties, and marketing fund contributions. The LLC recorded an allowance for doubtful accounts of $98,376 and $12,337 for the years ended December 31, 2020 and December 31, 2019, respectively.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost and, as of December 31, 2020, represents costs for in-process website development. When placed in service, the costs will be amortized over a three-year useful life using the straight-line method.

Advertising Costs

The LLC administers a marketing fund, for which a percentage of gross sales is collected from franchisees and company-owned stores to be used for various forms of advertising for the Detail Garage brand. Advertising costs are expensed as incurred and totaled $527,936 and $370,087 for the years ended December 31, 2020 and 2019, respectively.

Income Taxes

As a single-member limited liability company, a disregarded entity for federal tax purposes, the LLC passes on all income and expenses to its parent company to be taxed at the parent company level.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the LLC and recognize a tax liability (or asset) if the LLC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the LLC, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The LLC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The LLC has evaluated subsequent events from the balance sheet date through March 25, 2021, the date at which the financial statements were available to be issued.

NOTE 3 – Transactions with Related Party

During the years ended December 31, 2020 and 2019, the LLC incurred management fee expenses totaling $255,406 and $265,096, respectively, from services provided by Smart LLC, a related party through common ownership. At December 31, 2020 and 2019, $1,228,952 and $1,247,714, respectively, was due to Smart LLC as a result of the management fee services provided and reimbursement for other expenses paid by Smart LLC on behalf of the LLC.

NOTE 4 – Notes Receivable

Notes receivable consists of the following:

	December 31,	
	2020	**2019**
Notes receivable to franchisees, payable in monthly installments with interest ranging from 2.25% to 3.25%, due March 2023	$ 244,856	$ -
Less current portion	(120,029)	-
Noncurrent portion	$ 124,827	$ -

Detail Garage, LLC

Financial Statements

December 31, 2019 and 2018

WINDES
AUDIT | TAX | ADVISORY

CONTENTS

Independent Auditors' Report..... 1

Balance Sheets 2

Statements of Operations and Member's Deficit 3

Statements of Cash Flows 4

Notes to the Financial Statements 5-9

INDEPENDENT AUDITORS' REPORT

To the Member of
Detail Garage, LLC:

We have audited the accompanying financial statements of Detail Garage, LLC, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

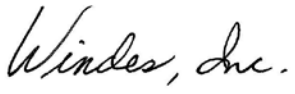
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Detail Garage, LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of ASU No. 2014-09

As discussed in Note 1 to the financial statements, the Detail Garage, LLC changed its method of accounting for revenue from sales to customers in 2019 due to the adoption of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*.



Long Beach, California
April 1, 2020

DETAIL GARAGE, LLC

BALANCE SHEETS

ASSETS

	December 31, 2019	December 31, 2018
CURRENT ASSETS		
Cash	$ 1,137,012	$ 614,607
Accounts receivable, net	280,166	49,082
Prepaid expenses and other assets	40,000	-
	1,457,178	663,689
TOTAL ASSETS	$ 1,457,178	$ 663,689

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES		
Accounts payable	$ 9,127	$ -
Deferred revenue, current	128,754	74,000
Due to Smart, Inc.	1,247,714	431,470
Other liabilities	4,155	3,057
	1,389,750	508,527
NONCURRENT LIABILITIES		
Deferred revenue, net of current portion	1,007,216	709,875
MEMBER'S DEFICIT	(939,788)	(554,713)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	$ 1,457,178	$ 663,689

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

DETAIL GARAGE, LLC

STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT

	For the Year Ended December 31,	
	2019	**2018**
REVENUES	$ 1,262,241	$ 541,883
OPERATING AND ADMINISTRATIVE EXPENSES	1,647,316	646,763
NET LOSS	(385,075)	(104,880)
MEMBERS' EQUITY (DEFICIT) AT BEGINNING OF YEAR	(554,713)	25,167
DISTRIBUTIONS TO MEMBERS	-	(475,000)
MEMBER'S DEFICIT AT END OF YEAR	$ (939,788)	$ (554,713)

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

DETAIL GARAGE, LLC

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (385,075)	$ (104,880)
Adjustments to reconcile net loss		
to net cash from operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(231,084)	(39,024)
Prepaid expenses and other assets	(40,000)	-
Accounts payable	9,127	(742)
Deferred revenue	352,095	540,042
Due to Smart, Inc.	816,244	373,596
Other liabilities	1,098	3,037
Net Cash Provided By Operating Activities	522,405	772,029
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to members	-	(475,000)
Net Cash Used In Financing Activites	-	(475,000)
NET CHANGE IN CASH	522,405	297,029
CASH AT BEGINNING OF YEAR	614,607	317,578
CASH AT END OF YEAR	$ 1,137,012	$ 614,607

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

DETAIL GARAGE, LLC

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – Organization and Operations

Detail Garage, LLC (the LLC) is a franchisor of operating rights to retail stores that offer a complete line of car care products, auto detailing supplies, car accessories, and training classes. The corporate offices for the LLC are located in Gardena, California. Effective March 2018, the existing members transferred their ownership of the LLC to CG Group Holdings, LLC.

The term of the LLC is the earlier of dissolution or as provided by law. The LLC's member has limited liability for obligations and debts of the LLC.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of the LLC is presented to assist in understanding the LLC's financial statements. The financial statements and notes are representations of the LLC's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles applied in the preparation of the financial statements for December 31, 2019 and 2018.

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, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The LLC bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances at the time. Actual results could differ from those estimates.

Recent Accounting Pronouncements - Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, (ASC 606) requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard permits the use of either the retrospective or cumulative-effect-transition method.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements – Adopted (Continued)

The LLC adopted this new guidance effective the first day of fiscal year 2018, using the full-retrospective-transition method, which resulted in adjusting the prior reporting period presented and a cumulative effect adjustment of ($141,333), which was recorded as of the first day of 2018 to members' equity. The adoption changed the timing of recognition of initial franchise fees.

The following table presents the effects on the LLC's 2018 financial statements from the adoption of ASC 606:

	As Previously Reported	Adjustment	As Adjusted
Deferred revenues, current	$ 97,500	$ (23,500)	$ 74,000
Deferred revenues, noncurrent	$ -	$ 709,875	$ 709,875
Member's equity (deficit)	$ 131,662	$ (686,375)	$ (554,713)
Revenues	$ 1,086,925	$ 545,042	$ 541,883

Revenue Recognition

Revenue from contracts with customers consists primarily of initial franchise fees, royalties, and marketing fund contributions. The LLC's performance obligations under franchise agreements consist of (a) a franchise license, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the marketing fund, development of price lists, operations manuals, and training materials. These performance obligations are highly interrelated so are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation, which is satisfied by providing a right to use intellectual property over the term of each franchise agreement.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Initial franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Royalties, including franchisee contributions to the marketing fund, are calculated as a percentage of franchise sales over the term of the franchise agreement. Initial and renewal franchise fees are payable by the franchisee prior to the opening or at the time of a renewal of an existing franchise agreement. The franchise agreement royalties, inclusive of marketing fund contributions, represent sales-based royalties that are related entirely to the LLC's performance obligation under the franchise agreement and are recognized as franchise sales occur.

The following table presents disaggregated revenues from contracts with customers:

	For the Year Ended December 31,	
	2019	**2018**
Franchise fees	$ 100,032	$ 44,958
Royalties	820,703	355,479
Marketing fees	341,506	138,946
Other	-	2,500
	$ 1,262,241	$ 541,883

Franchise fee payments received by the LLC are recorded as deferred revenue on the balance sheet, which represents a contract liability. Deferred revenue is reduced as fees are recognized in revenue over the term of the franchise license for the respective franchisee. The term of a franchise license is typically ten years.

Accounts Receivable

Accounts receivable primarily represents amounts from customers for franchise fees, royalties, and marketing fund contributions. At December 31, 2019, the LLC recorded an allowance for doubtful accounts of $12,337. There was no allowance for doubtful accounts recorded as of December 31, 2018.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Advertising Costs

The LLC administers a marketing fund, for which a percentage of gross sales is collected from franchisees and company-owned stores to be used for various forms of advertising for the Detail Garage brand. Advertising costs are expensed as incurred and totaled $370,087 and $134,784 for the years ended December 31, 2019 and 2018, respectively.

Income Taxes

Effective March 2018 with the change in ownership, the LLC became a single-member limited liability company, a disregarded entity for federal tax purposes, which provides that the LLC passes on all income and expenses to its parent company to be taxed at the parent company level.

Through the change in ownership occurring in March 2018, the LLC was treated as a Partnership for federal income tax purposes and does not incur income taxes. Instead, the earnings and losses were included in the personal returns of the members and taxed depending on their personal tax situations.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the LLC and recognize a tax liability (or asset) if the LLC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the LLC, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The LLC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The LLC has evaluated subsequent events from the balance sheet date through April 1, 2020, the date at which the financial statements were available to be issued.

NOTE 3 – Transactions with Related Party

During the years ended December 31, 2019 and 2018, the LLC incurred management fee expenses totaling $265,096 and $202,502, respectively, from services provided by Smart, LLC, a related party through common ownership. At December 31, 2019 and 2018, $1,247,714 and $431,470, respectively, was due to Smart, LLC as a result of the management fee services provided and reimbursement for other expenses paid by Smart, LLC on behalf of the LLC.

Exhibit D
To Franchise Disclosure Document

STATEMENT OF PROSPECTIVE FRANCHISEE

DETAIL GARAGE
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting, or by the Prospective Franchisee using an electronic "fill and sign" tool compliant with the ESIGN Act.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Detail Garage, LLC, a California limited liability company (also called the "Franchisor" or "Detail Garage") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

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

1. _____, 20___ — The date on which I/we received a Uniform Franchise Disclosure Document about a Franchise.
   Initials _____

2. _____, 20___ — The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.
   Initials _____

3. _____, 20___ — The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
   Initials _____

4. _____, 20___ — The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.
   Initials _____

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based

on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

Prospective Franchisee's Initials: _____

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Detail Garage Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Detail Garage Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing Detail Garage Franchisees, and that I made the decision as to which, and how many, Detail Garage Franchisees to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a Detail Garage Store (or any other) is a speculative investment, an

investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any Detail Garage Store, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: _____

8. I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) and I/we agree to report any such unauthorized disclosure to the Franchisor.

Prospective Franchisee's Initials: _____

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney (858-793-1094) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

PROSPECTIVE FRANCHISEE (Individual)

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) [Must be accompanied by appropriate personal guarantee(s)]

_____
Legal Name of Entity

a _____
State of incorporation, formation, etc.

By: _____
Name

_____
Signature

Title:_____

Exhibit E
To Franchise Disclosure Document

TABLE OF CONTENTS OF THE OPERATIONS MANUAL

DETAIL GARAGE POLICY & PROCEDURE MANUAL

TABLE OF CONTENTS

TOTAL NUMBER OF PAGES (EST.) 285

		Pages in Section
SECTION 1	CONTACT INFORMATION	2
SECTION 2	RETAIL COMMUNICATIONS	21
SECTION 3	CONSUMER EXPERIENCE	19
SECTION 4	OPENING PROCEDURES	4
SECTION 5	CLOSING PROCEDURES	7
SECTION 6	POS TRANSACTIONS	48
SECTION 7	POS PAYMENT TYPES	14
SECTION 8	POS REPORTS	12
SECTION 9	INVENTORY CONTROL	66
SECTION 10	LOSS PREVENTION	4
SECTION 11	VISUAL MERCHANDISING	8
SECTION 12	STORE MAINTENANCE	2
SECTION 13	STORE SUPPLIES	2
SECTION 14	HEALTH & SAFETY	9
SECTION 15	EMPLOYEE MANAGEMENT	6
SECTION 16	MARKETING & SOCIAL MEDIA	50
SECTION 17	BRAND GUIDELINES	6
SECTION 18	FRANCHISE OPERATIONS	4
SECTION 19	ACKNOWLEDGEMENT FORM	1

Exhibit F
To Franchise Disclosure Document

GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE OF ALL CLAIMS

_____**(FRANCHISEE**") and _____**, an individual** ("**GUARANTOR**") enter into this General Release on _____, with reference to the following facts:

1. On _____**, Detail Garage, LLC,** a California limited liability company ("**FRANCHISOR**"), and FRANCHISEE entered into a Franchise Agreement (the "**Franchise Agreement**") to operate a Detail Garage Store located at _____ (the "**Premises**"). GUARANTOR guaranteed FRANCHISEE'S performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the "Guarantee"). In consideration of FRANCHISOR'S processing and approval of _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such _____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively "Damages"), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

_____**, an individual**

Print Name: _____

Exhibit G
To Franchise Disclosure Document

STATE SPECIFIC ADDENDA

ADDITIONAL STATE DISCLOSURES

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provisions in the Uniform Franchise Disclosure Document ("Disclosure Document") and Franchise Agreement will be amended as follows:

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at https://dfpi.ca.gov

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.

1. The following language is added to the end of Item 3 of the Disclosure Document:

   Neither Detail Garage, LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in San Diego, California, with the costs being borne by the non-prevailing party. The prevailing party shall be entitled to recover reasonable compensation for expenses, costs and fees in connection with arbitration, including reasonable attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

These franchises will be/ have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director 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, or subfranchisor, 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, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with an copy of all proposed agreements relating to the sale of the franchise.

This Disclosure Document contains 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 the franchisee.

The following language is added to the end of Item 5 of the Disclosure Document:

"Despite the provisions in this Item 5, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business."

HAWAII

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:

   "Despite the payment provisions noted in this Section 5.1, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business."

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.

2. The "**Summary**" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Illinois law applies.

3. Illinois law governs the agreement(s) between the parties to this franchise.

4. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that arbitration may take place outside of Illinois. 815 ILCS 705/4 (West 2010)

5. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010)

6. The following language is added to ITEM 5, INITIAL FEES, as the last paragraph:

The payment of all initial franchise fees will be deferred until we have satisfied our pre-opening obligations to you and you have commenced doing business. The Illinois Attorney General's Office has imposed this deferral requirement due to our financial condition.

7. DUE TO CIRCUMSTANCES BEYOND THE FRANCHISOR/AFFILIATE'S CONTROL, INVENTORY YOU ARE REQUIRED TO BUY FROM FRANCHISOR'S AFFILIATE MAY BE DELAYED OR UNFULFILLED INDEFINITELY.

8. IF YOU DO NOT COMPLETE INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY TO THE FRANCHISOR'S SATISFACTION, YOUR FRANCHISE MAY BE TERMINATED AND YOU WILL LOSE YOUR INVESTMENT.

ILLINOIS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Section 19, "**ENTIRE AGREEMENT"** is amended by adding the following:

   No other representation has induced Franchisee to execute this Agreement and there are no representations (except for those made in the Franchise Disclosure Document that Franchisee received from Franchisor), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise.

2. Section 16.3, "**CHOICE OF LAWS,**" is deleted in its entirety and replaced with the following:

   EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), THE FEDERAL ARBITRATION ACT, OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS.

3. Section 16.2, "**VENUE,**" is deleted in its entirety.

4. Under the law of Illinois, any condition, stipulation or provision that purports to bind a person acquiring a franchise to waive compliance with the Franchise Disclosure Act of Illinois is void. Accordingly, insofar as the Franchise Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Section 5.1, **"Initial Franchise Fee"** is amended by adding the following language as the last paragraph:

   The payment of all initial franchise fees will be deferred until Franchisor have satisfied its pre-opening obligations to Franchisee and Franchisee have commenced doing business. The Illinois Attorney General's Office has imposed this deferral requirement due to Franchisor's financial condition.

6. DUE TO CIRCUMSTANCES BEYOND THE FRANCHISOR/AFFILIATE'S CONTROL, INVENTORY YOU ARE REQUIRED TO BUY FROM FRANCHISOR'S AFFILIATE MAY BE DELAYED OR UNFULFILLED INDEFINITELY.

7. IF YOU DO NOT COMPLETE INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY TO THE FRANCHISOR'S SATISFACTION, YOUR FRANCHISE MAY BE TERMINATED AND YOU WILL LOSE YOUR INVESTMENT.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

ILLINOIS

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Area Development Agreement ("**Agreement**") agree as follows:

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

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

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

4. Your rights upon termination and non-renewal of a franchise are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Section III, **"DEVELOPMENT FEE"** is amended by adding the following language:

   Payment of the Initial Development Fees will be deferred until Franchisor has met its initial obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Illinois Attorney General's Office due to Franchisor's financial status.

6. DUE TO CIRCUMSTANCES BEYOND THE FRANCHISOR/AFFILIATE'S CONTROL, INVENTORY YOU ARE REQUIRED TO BUY FROM FRANCHISOR'S AFFILIATE MAY BE DELAYED OR UNFULFILLED INDEFINITELY.

7. IF YOU DO NOT COMPLETE INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY TO THE FRANCHISOR'S SATISFACTION, YOUR FRANCHISE MAY BE TERMINATED AND YOU WILL LOSE YOUR INVESTMENT.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(c) entitled **Requirements for you to renew or extend**, and the "Summary" section of Item 17(m) entitled **Conditions for our approval of transfer**, is amended by adding the following:

> Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The "**Summary**" section of Item 17(h) entitled **"Cause" defined (defaults which cannot be cured)**, is amended by adding the following:

> The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of the chart in Item 17:

> Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to Item 5:

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

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Any provision requiring Franchisee to execute a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

Sections 16.1 A., 16.2 and 16.4 shall be supplemented by the following additional language:

> PROVIDED, HOWEVER, THAT THIS LIMITATION OF CLAIMS SHALL NOT ACT TO REDUCE THE THREE (3) YEAR STATUTE OF LIMITATIONS AFFORDED FRANCHISEE FOR BRINGING A CLAIM UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any provision of this Franchise Agreement which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise 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.

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

Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

MARYLAND

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

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

Section III, Development Fee, of the Area Development Agreement shall be supplemented by the following additional language:

Despite the payment provisions noted in this Section III, all development fees and initial payments by area developers shall be deferred until the first franchise under the area development agreement opens.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC

By: _____

Title: _____

Franchisee: _____

By: _____

Title: _____

MARYLAND

AMENDMENT TO STATEMENT OF PROSPECTIVE FRANCHISEE (DISCLOSURE QUESTIONNAIRE)

The Statement of Prospective Franchisee (Disclosure Questionnaire) is specifically amended as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), Md. Code Bus. Reg. Sections 14-201 through 14-233, the following paragraph is added to the Statement of Prospective Franchisee (Disclosure Questionnaire):

> Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this questionnaire 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.

_____
Name of Franchisee/Applicant

Date: _____

_____
Signature

_____
Name and Title of Person Signing

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

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

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

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

B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment 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 this term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The 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:

1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

4) 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 a provision has been made for providing the required contractual services.

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00 the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be direct to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, MI 48933
(517) 373-1160

Note: Despite paragraph F above, we intend to enforce fully the provisions of the arbitration section contained in the Franchise Agreement. We believe that paragraph F is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as well.

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

   As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

   A. **Renewal and Termination**
   With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which 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 Agreement.

   B. **Choice of Forum**
   Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

   C. **Releases**
   A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement ("Agreement") agree as follows:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Pursuant to Minnesota Statutes, Section 80C.17, Subd. 5., Section 16.1, regarding Limitation of Claims, shall be supplemented by the following additional language: "Provided, however, no action may be commenced more than three years after the cause of action accrues."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title:_____	Title: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. The following paragraphs are 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271-0332.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action

brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of ours held this position in such company or partnership.

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

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

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

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

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

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

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

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

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

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

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Summary" section of Item 17(c) entitled **Requirements for you to renew or extend** and Item 17(m) entitled **Conditions for our approval of a transfer**:

The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The applicable portion of the "Summary" section of Item 17(i) entitled **Your obligations on termination/non-renewal** is amended to read as follows:

If we prevail in any enforcement action, you will pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement.

Any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

3. The following is added to the "Summary" section of Item 17(u) entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

4. The following is added to the "Summary" section of Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**:

Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

5. The following is added to the "Summary" section of Item 17(v) entitled **Choice of forum**:

However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

6. The following is added to the "Summary" section of Item 17(w) entitled **Choice of Law**:

To the extent California law conflicts with North Dakota law, North Dakota law will control.

NORTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

1. The following is added to Section 3.2, **"RENEWAL"** and Section 14 "**TRANSFER OF INTEREST**":

   The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The following is added to Section 16.2, "**VENUE**":

   However, to the extent allowed by the North Dakota Franchise Investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

3. The following is added to Section 16.1, "**MANDATORY BINDING ARBITRATION"**

   To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. Section 18, "**ACKNOWLEDGMENTS**" is amended by the addition of the following language to the original language that appears therein to read as follows:

   Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

5. Section 13.1 (regarding post-term restrictions) is amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

6. In Sections 15.4 and 15.5, any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

7. The following language is added at the end of Section 16.3, "**CHOICE OF LAWS**":

   To the extent California law conflicts with North Dakota law, North Dakota law will control.

8. The following is added to Section 16.1, "**WAIVER OF COURT TRIAL"**

   The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

9. The following is added to Section 16, **"RESOLUTION OF DISPUTES"**:

   The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

NORTH DAKOTA

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

1. In Section VIII, any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

2. Section X (regarding covenants not to compete) is amended by the addition of the following language to the original language that appears therein:

Covenants not to compete such as those mentioned in this Section X are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

3. The following is added to Section XIX (a), "**MANDATORY BINDING ARBITRATION"**

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. The following is added to Section XIX(b), "**VENUE**":

However, to the extent allowed by the North Dakota Franchise Investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

5. The following language is added at the end of Section XIX(g), "**CHOICE OF LAWS**":

To the extent California law conflicts with North Dakota law, North Dakota law will control.

6. The following is added to Section XIX(c), "**WAIVER OF TRIAL BY JURY":**

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

7. The following is added to Section XIX(d) **"LIMITATIONS ON CLAIMS"**:

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to Item 17(v) entitled **Choice of forum**:

, except as otherwise required by the Rhode Island Franchise Investment Act

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 16.4, "**CHOICE OF FORUM"** is amended by adding the following:

> §19-24.1-14 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."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

SOUTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to the end of Item 5 of the Disclosure Document:

"Despite the provisions in this Item 5, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business."

SOUTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following provisions shall apply and supersede any provision in the Franchise Agreement to the contrary:

1. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Franchise Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State specified in Article 16 of this Agreement. 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 South Dakota, is deleted from any Franchise Agreement issued in the State of South Dakota.

2. Any provision that provides that the parties' waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provision that provides that parties' waive their right to a jury trial may not be enforceable under South Dakota law.

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make Royalty payments contained in the Franchise Agreement shall afford you thirty (30) days written notice with an opportunity to cure the default before termination.

5. To the extent this Amendment is inconsistent with any terms or conditions of the Franchise Agreement, schedules or attachments thereto, or the Disclosure Document, the terms of this Amendment shall govern.

6. Section 5.1, Initial Franchise Fee, shall be supplemented by the following additional language:

"Despite the payment provisions noted in this Section 5.1, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

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 Detail Garage, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h:

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does 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."

The following risk is added to the "**Special Risks to Consider About *This* Franchise**" page:

> **Estimated Initial Investment**. The franchisee will be required to make an estimated initial investment ranging from $131,575 to $230,450. This amount exceeds the franchisor's stockholders' negative equity as of December 31, 2019, which is $-939,788.

The following language is added to Item 5, INITIAL FEES, as the last paragraph:

> "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement."

VIRGINIA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Section 5.1, **"Initial Franchise Fee"** is amended by adding the following language as the last paragraph:

> "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement."

VIRGINIA

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

Section III, **"DEVELOPMENT FEE,"** is amended by adding the following language:

> "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement."

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with Detail Garage, LLC 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 Detail Garage, LLC 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.

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

A release or waiver of rights executed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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 Detail Garage, LLC'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.

The following disclosure is added to Item 1 of the Disclosure Document, as the last paragraph under the subheading, "Franchisee Referral Program":

"Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State. At this time, we do not pay any referral fees or award any type of incentive for referrals by existing franchisees in the state of Washington."

WASHINGTON

AMENDMENT TO FRANCHISE AGREEMENT

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.

Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

[Signatures on Following Page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Detail Garage, LLC	Franchisee:_____
By: _____	By: _____
Title: _____	Title: _____

Exhibit H
To Franchise Disclosure Document

LIST OF FRANCHISEES AND THEIR OUTLETS

LIST OF FRANCHISEES AND THEIR OUTLETS AT OUR FISCAL YEAR END 2020

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
DG Bakersfield, LLC	Connor Brunni	4501 Stine Road	Bakersfield	CA	93313	(661) 847-9319
DG Buena Park, LLC	Josue Guaderrrama	6883 la Palma Ave	Buena Park	CA	90620	(714)328-1020
Paladin Training Solutions	Jake Wiegel	1230 E Washington St P12	Colton	CA	92324	(909)533-4172
East Bay Auto Detail Supply, LLC	Carl Paul	1853-6A Monument Blvd	Concord	CA	94520	(925)408-2023
Sera Unlimited, LLC	Gildaberto Gonzalez	10423 Valley Blvd, A2	El Monte	CA	91306	(626) 672-0071
Liliana Gonzalez	Liliana Gonzalez	3131 E Central Ave.	Fresno	CA	93725	(925) 408-2023
Sera Unlimited, LLC	Gildaberto Gonzalez	5108 Holt Blvd.	Montclair	CA	91763	(909) 626-0103
Angel Ruiz Castillo	Angel Ruiz Castillo	25125 Madison Ave. Unit 100B	Murrieta	CA	92562	(951) 698-6336
EDG-Orange, LLC	Adrianna De Gante	806 N. Tustin St.	Orange	CA	92867	(714) 823-7619
Car Care Culture, LLC	Nick Brunni & Scott Brunni	2001 Williams Road, #417	Oxnard	CA	93036	(661) 332-5786
Sera Unlimited, LLC	Gil Gonzalez	10446 Magnolia Ave.	Riverside	CA	92505	(951) 376-1205
Vinsentin Empire, LLC	Janelle Garcia	1851 Little Orchard St	San Jose	CA	95125	(669) 230-5151
Pristine & Clean, Inc.	Jeff Bonynge	510 N. SR 434	Altamonte Springs	FL	32714	(407) 807-0676
South Florida Detail Garage, LLC	David Berzner	8622 W State Road 84	Fort Lauderdale	FL	33324	(954) 530-1923
SWL Options LLC	Shawn Siefert	17051 Jean St.	Fort Myers	FL	33967	(239) 985-9166
Abbey Enterprises, LLC	Timothy Weal	9390 Arlington Expressway	Jacksonville	FL	32225	(904) 374-0341
Shelter Cove Enterprises, LLC	Vince/ Timothy Weal	1877 W. New Haven Ave., Unit A	Melbourne	FL	32904	(865) 200-7840
South Florida Detail Garage 3, LLC	David Berzner/Eddie Lopez	3901 NW 77th Ave.	Miami	FL	33166	(305) 818-0224
Viking Trading International, Inc.	Shawn Moodley	1379 N. Military Trl	W Palm Beach	FL	33409	(561) 335-5987
Jon Shaw Jr.	Jon Shaw Jr.	5007 N. Davis Hwy #9	Pensacola	FL	32503	(850) 741-4149

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
DSS Auto Detail Supplies, LLC	Daniel Simeonov	1155 N Washington Blvd, Unit B	Sarasota	FL	34236	(941) 726-9045
South Florida Detail 4, LLC	David Berzner	5721 E Fowler Ave.	Tampa	FL	33617	(813) 914-0222
Atlanta Pro Detailing, LLC	Rene Suarez	4150 Old Milton Pkwy Unit 115	Alpharetta	GA	30005	(678) 677-5931
Atlanta Pro Detailing, LLC	Rene Suarez	3420 Buford Dr. Suite C540	Buford	GA	30519	(678) 765-2663
Midwest Car Detail Supply, Inc	Jerry Cary	2439 E. Main St.	Plainfield	IN	46168	(317) 707-7430
JC Automotive Group, LLC	Jammie Costello	7164 E. Furnace Branch Rd	Glen Burnie	MD	21060	(443) 987-3636
E & L industries, LLC	Bill Enfield	1416 Martin Blvd	Middle River	MD	21220	(443) 559-6878
G & A Detailing, LLC	Andrew Sousa	207 Swansea Mall Drive, Bay 12A	Swansea	MA	2777	(774) 955-5398
Goodlife Garrett, INC	Garret Kubiak	37804 Van Dyke Ave	Sterling Heights	MI	48312	(586) 554-7526
DIY Detail, LLC	Michael Doty	3863 South Campbell Ave Suite D	Springfield	MO	65807	(417) 450-8110
Waxing Off, LLC	Patrick Hecht	70 Meramec Valley Plaza	Valley Park	MO	63088	(636) 529-1353
Hester Detail Garage, LLC	Keith Hester	683-C Cary Towne Blvd	Cary	NC	27511	(919) 651-8089
Just Detail It Charlotte, LLC	Curtis & Colleen Pyle	5109 South Blvd #2709	Charlotte	NC	28217	(980) 949-7213
Just Detail It Concord, LLC	Curtis & Colleen Pyle	37 Concord Pkwy N	Concord	NC	28027	(704) 960-4042
Bohaze Conversions, LLC	Randy Hays	4520 Matlock Road, #400	Arlington	TX	76018	(817) 617-2149
DMK Acquisitions, Inc	Richard Luna	2260 N. Zaragoza Rd. Ste. 111	El Paso	TX	79938	(915) 234-2235
Remtech Detailing Solutions, LLC	Matt Ong	2121 Brittmoore Rd, Suite 3200	Houston	TX	77043	(832) 740-4184
FYMF Partners	Chris Corl	12503 Gulf Fwy.	Houston S	TX	77034	(832)230-1083
RCMA Supplies, LLC	Cristina & Robert Diaz	120 Hwy 332	Lake Jackson	TX	77566	(979) 266-9523
Round Rock Detailing Supplies, LLC	Seth Gillespie	1208 N. Interstate Hwy 35	Round Rock	TX	78681	(512) 527-3959
H&S Southwest, LLC	Henry Gaitan & Sophan Yem	5138 Avenue H	Rosenberg	TX	77471	(281) 762-0311
Ponyboyz, LLC	Corey Boyack	2897 NE Loop 410, Suite 105	San Antonio	TX	78218	(210) 447-7977

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Cox Group Enterprises	Steven Cox	5879 Babcock Rd.	San Antonio	TX	78240	(210) 251-2328
Diamond Detailing Group, LLC	William Frick	1009 Fort Worth Hwy	Weatherford	TX	76086	(682) 262-1936
Andre Lian	Andre Lian	38 W. 7200 S	Midvale	UT	84047	(801) 566-0796
Andre Lian	Andre Lian	354 E. 800 S	Orem	UT	84097	(801) 566-0814
Detail Garage So. Utah LLC	Geoffrey Newman	1812 W. Sunset Blvd	St George	UT	84770	(435) 673-5782
It's N The Details, LLC	Jeremy Shelton	4114 Lafayette Blvd	Fredericksburg	VA	22408	(540) 681-1823
Wax On Wax Off, LLC	Kenny Cao	4239 Holland Road Suite #772	Virginia Beach	VA	23452	(757) 453-1245

FRANCHISE AGREEMENTS SIGNED, BUT OUTLETS NOT OPENED IN OUR FISCAL YEAR 2020

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
TYM LLC	David Medeiros	1170 Bald Hill Rd	Warwick	RI	02886	(401) 415-0778

Exhibit I
To Franchise Disclosure Document

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS
UNDER THE FRANCHISE AGREEMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

Following is the name and contact information of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

FRANCHISEE	CONTACT	CITY	STATE	PHONE NUMBER
Cardinal Investments Two, LLC	Wendy Jones	Avondale	AZ	(314) 614-1977
Cardinal Investments One, LLC	Wendy Jones & Lynn Gangemella	Mesa	AZ	(314) 614-1977
Cardinal Investments One, LLC	Lynn Gangemella	North Phoenix	AZ	(314) 520-1441
Dudeck Enterprises	Darren & Angelica Dudeck	Las Vegas	NV	(702) 218-4341
Dudeck Enterprises	Darren & Angelica Dudeck	Las Vegas	NV	(702) 218-4341
Autoworx Detail Supply, LLC	Marc Argentino	North Charleston	SC	(203) 996-8302

FRANCHISEES WHO TRANSFERRED A STORE DURING FISCAL YEAR 2020

FRANCHISEE	CONTACT	CITY	STATE	PHONE
Classics Mobile Detailing, LLC	Dillon Faggart	Charlotte	NC	(704) 960-5906
Classics Mobile Detailing, LLC	Dillon Faggart	Concord	NC	(704) 960-5906
South Florida Detail Garage 2, LLC	David Berzner and Eddie Lopez	W Palm Beach	FL	(305) 818-0224

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

Exhibit J
To Franchise Disclosure Document

AREA DEVELOPMENT AGREEMENT

DETAIL GARAGE, LLC

AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

SECTION		PAGE
I.	GRANT	1
II.	NO EXCLUSIVITY	2
III.	DEVELOPMENT FEE	3
IV.	DEVELOPMENT SCHEDULE AND MANNER OF EXERCISING OPTIONS	3
V.	TERM	4
VI.	DEVELOPER'S DUTIES	4
VII.	PROPRIETARY MARKS/CONFIDENTIALITY	5
VIII.	DEFAULT AND TERMINATION	5
IX.	TRANSFERABILITY	6
X.	COVENANTS	8
XI.	NOTICES	9
XII.	INDEPENDENT CONTRACTOR AND INDEMNIFICATION	9
XIII.	APPROVALS	10
XIV.	NON-WAIVER	10
XV.	SEVERABILITY AND CONSTRUCTION	10
XVI.	ENTIRE AGREEMENT	11
XVII.	SUPERIORITY OF FRANCHISE AGREEMENT	11
XVIII.	ENFORCEMENT	11
XIX.	DISPUTE RESOLUTION	11
XX.	"DEVELOPER" DEFINED AND GUARANTY	15
XXI.	ELECTRONIC MAIL	15
XXII.	ACKNOWLEDGMENTS	15

EXHIBITS

A. DESCRIPTION OF TERRITORY

B. DEVELOPMENT SCHEDULE

C. GUARANTY AND ASSUMPTION OF OBLIGATIONS

DETAIL GARAGE, LLC

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this ____day of _____, by and between DETAIL GARAGE, LLC, a California limited liability company, ("Franchisor) and _____, a/an _____ _____("Developer").

RECITALS

A. **WHEREAS**, Franchisor owns and has developed and administers a system, including various automobile detailing products, supplies and equipment, retail sales techniques and methods, automobile detailing classes/workshops, trade secrets, copyrights, confidential and proprietary information and other intellectual property rights (the "System") for the establishment and operation of distinctive auto detailing supplies stores (the "Detail Garage Stores") identified by the "DETAIL GARAGE" trade name and other trademarks and service marks licensed hereunder (the "Marks").

B. **WHEREAS,** the System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of a Detail Garage Store, including, without limitation, confidential manuals (collectively, the "Manual"), automobile detailing products and equipment, including proprietary products and equipment, other equipment, furniture and fixtures, vehicles, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and decor.

C. **WHEREAS**, Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a license to establish and operate a Detail Garage Store.

D. **WHEREAS**, Developer has applied for an option to obtain licenses to establish and operate multiple Detail Garage Store s and such application has been approved by Franchisor in reliance upon all of the representations made therein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

I. GRANT

(a) Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, options to obtain licenses to establish and operate _____ (__) Detail Garage Stores within the territory described in Exhibit A attached hereto and incorporated herein by this reference ("Designated Territory").

(b) Developer shall be bound by the Development Schedule ("Development Schedule") set forth in Exhibit B. Time is of the essence to this Agreement. Each Detail Garage Store shall be established and operated pursuant to a separate franchise agreement ("Franchise Agreement") to be entered into by Developer and Franchisor. Each Franchise Agreement shall be in Franchisor's then-current form of the Franchise Agreement. Developer acknowledges and agrees that all Franchise

Agreements entered into in connection with Detail Garage Stores within the Designated Territory are independent of this Agreement. The continued existence of such Franchise Agreement shall not depend on the continuing existence of this Agreement.

(c) This Agreement is not a Franchise Agreement, and Developer shall have no right to use the Marks in any manner by virtue hereof or to engage in the business of offering, selling or distributing goods or services under the Marks or the System in any manner.

(d) Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

II. NO EXCLUSIVITY

(a) Developer receives no exclusive rights to the Designated Territory under this Agreement. So long as Developer is in good standing and in compliance with this Agreement, Franchisor will not establish or license another to establish a Detail Garage Store in the Designated Territory.

(b) During the term of this Agreement, Franchisor reserves the right to:

(i) establish and operate, and allow others to establish and operate, Detail Garage Stores using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions Franchisor deems appropriate;

(ii) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by Detail Garage Stores, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(iii) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, temporary facilities and Internet-based facilities), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Detail Garage Stores, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Detail Garage Stores customarily sell;

(iv) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Detail Garage Stores, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(v) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Detail Garage Stores, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(vi) engage in all other activities not expressly prohibited by this Agreement.

III. DEVELOPMENT FEE

(a) As consideration for the rights and options granted herein, Developer shall pay to Franchisor a development fee ("Development Fee") in the amount of _____, which amount is equal to Thirty Thousand Dollars ($30,000) for the first Detail Garage Store, Twenty-Five Thousand Dollars ($25,000) for the second Detail Garage Store, and Twenty Thousand Dollars ($20,000) for the third Detail Garage Store and each subsequent Detail Garage Store thereafter to be developed under the terms of this Agreement. The Development Fee is to be paid simultaneously with the execution of this Agreement. The Development Fee is non-refundable, notwithstanding any provision to the contrary contained herein or in any Franchise Agreement.

(b) Notwithstanding anything to the contrary contained in the Franchise Agreement, the Initial Franchise Fee due for each Detail Garage Store developed hereunder shall be reduced to an amount equal to Thirty Thousand Dollars ($30,000) for the first Detail Garage Store, Twenty-Five Thousand Dollars ($25,000) for the second Detail Garage Store, and Twenty Thousand Dollars ($20,000) for the third Detail Garage Store and each subsequent Detail Garage Store thereafter.

(c) The Development Fee shall be applied to the Initial Franchise Fee due for each of the Detail Garage Stores developed hereunder, upon the execution of the Franchise Agreement.

(d) Developer shall submit a separate application for each Detail Garage Store to be established within the Designated Territory by Developer. Upon approval of the site for the Detail Garage Store by Franchisor, a separate Franchise Agreement shall be executed for each such Detail Garage Store. The balance, if any, of the Initial Franchise Fee for each Detail Garage Store shall be due thirty (30) days prior to (i) the scheduled opening of the Detail Garage Store or (ii) lease commencement date, whichever occurs first. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Detail Garage Store.

IV. DEVELOPMENT SCHEDULE AND MANNER OF EXERCISING OPTIONS

(a) Developer agrees to have open and in operation at the end of each development period set forth on the Development Schedule the cumulative number of Detail Garage Stores set forth on the Development Schedule. During each Development Period, Developer shall exercise options by entering into Franchise Agreements with Franchisor pursuant to this Agreement for the number of Detail Garage Stores described under the Development Schedule and have such number of Detail Garage Stores open for business. Developer shall at all times after the expiration of each of the Development Periods continuously maintain in operation pursuant to each Franchise Agreement at least the number of Detail Garage Stores set forth on the Development Schedule, provided however that such obligation does not apply to Detail Garage Stores that are transferred in accordance with the provisions of the Franchise Agreement, or are closed due to force majeure.

(b) Developer shall exercise each option granted herein only as follows:

(i) By giving Franchisor written notice of Developer's intention to exercise such option at least thirty (30) days before the execution of the Franchise Agreement for the applicable business; and

(ii) By executing the then-current form of the Franchise Agreement for the applicable Detail Garage Store and complying with its terms, including, without limitation, the payment of the unpaid balance of the applicable Initial Franchise Fee.

(c) Franchisor shall execute the Franchise Agreement only if (i) Developer is in compliance with all requirements and obligations of this Agreement and all other agreements between Franchisor and Developer, and (ii) Developer is in strict compliance with all of Developer's respective obligations under each Franchise Agreement, including, without limitation, its financial obligations and obligation to operate each Detail Garage Store in compliance with the System. In order to meet the Development Schedule, the Franchise Agreement must be executed by Developer and Franchisor and the Detail Garage Store to be operated under such Franchise Agreement must be open for business within the applicable Development Period. Developer must comply with all of the terms and conditions of each Franchise Agreement.

V. TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder to Developer shall expire on the date of Franchisor's acceptance and execution of a Franchise Agreement for the last of Detail Garage Stores to be established pursuant to the Development Schedule.

VI. DEVELOPER'S DUTIES

Developer shall perform the following obligations:

(a) Developer shall comply with all terms and conditions set forth in this Agreement.

(b) Developer shall comply with all of the terms and conditions of each Franchise Agreement, including, without limitation, the operating requirements specified in each Franchise Agreement. However, Developer will not be required to attend the initial franchisee training conducted by Franchisor in connection with the second or any subsequent Detail Garage Store.

(c) At Franchisor's option, at any time during this Agreement, Franchisor may require Developer to engage a district manager to oversee the development and operation of Developer's Detail Garage Stores. Such district manager shall be in addition to, not in lieu of, the managers responsible for the day to day operations of the Detail Garage Stores, as required under the Franchise Agreements.

(d) Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and Developer shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. All of Developer's employees or agents who must have access to such information or materials shall be required to execute nondisclosure agreements in the form acceptable to Franchisor. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(e) Developer shall comply with all requirements of federal, state and local laws, rules and

regulations.

(f) Developer shall return to Franchisor all manuals and other confidential information that Developer received from Franchisor in the course of operating the Detail Garage Store when Developer leaves the System.

VII. PROPRIETARY MARKS/CONFIDENTIALITY

Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that this Agreement does not grant Developer any right to use the Marks or to use any of Franchisor's confidential information. Further, it is understood and agreed that this Agreement does not grant Developer, and Developer does not have any right to, any copyright or patent which Franchisor now owns or may hereinafter own. Rights to the Marks, confidential information or copyrights are granted only under the Franchise Agreements to be executed by Franchisor and Developer.

VIII. DEFAULT AND TERMINATION

(a) The options granted to Developer in this Agreement have been granted in reliance on Developer's representations and warranties, and strictly on the conditions set forth in this Agreement, including, without limitation, the condition that Developer strictly complies with the Development Schedule.

(b) Developer shall be deemed in default under this Agreement, and all rights granted herein to Developer shall automatically terminate without notice: (i) if Developer is adjudicated bankrupt, becomes insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of Developer's property or any part thereof is appointed by a court of competent authority or if Developer makes a general assignment for the benefit of Developer's creditors; (ii) if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); (iii) if execution is levied against Developer's business or property, or; (iv) if suit to foreclose any lien or mortgage against Developer's premises or equipment is instituted against Developer and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by Developer.

(c) If Developer (i) fails to exercise options and enter into Franchise Agreements with Franchisor pursuant to this Agreement for Detail Garage Stores within any Options Period, as set forth on the Development Schedule; (ii) fails to comply with any other term or condition of this Agreement; or (iii) makes or attempts to make a transfer or assignment in violation of this Agreement; (iv) fails to comply with or meet any operational standards, including, but not limited to, the System Standards and Performance Standards in any individual Franchise Agreement with Franchisor; or (v) if Developer fails to comply with the terms and conditions of any individual Franchise Agreement with Franchisor or of any other agreement to which Developer and Franchisor are parties, any such event shall constitute a default under this Agreement. Upon any such default, Franchisor, in Franchisor's discretion, may do any one or more of the following:

(i) Terminate this Agreement and all rights granted hereunder to Developer without affording Developer any opportunity to cure the default effective immediately upon receipt by Developer of written notice from Franchisor;

(ii) Reduce the number of Detail Garage Stores, without refunding any of the Development Fee, which are subject to options granted to Developer pursuant to this Agreement; or

(iii) Exercise any other rights and remedies that Franchisor may have.

(d) Upon termination of this Agreement, all remaining options granted Developer to establish Detail Garage Stores under this Agreement shall automatically be null and void. Developer shall have no right to establish or operate any Detail Garage Store for which a Franchise Agreement has not been executed by Franchisor. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by Developer thereunder and shall control in determining whether any default exists under such Franchise Agreement.

(e) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

IX. TRANSFERABILITY

(a) Developer acknowledges that Franchisor maintains a staff to manage and operate the franchise system and that staff customers can change as employees come and go. Developer represents that Developer has not signed this Agreement in reliance on any particular owners, directors, officers or employees remaining with Franchisor in that capacity. Franchisor may change Franchisor's ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

(b) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and are granted in reliance upon Developer's personal qualifications. Developer has represented and hereby represents to Franchisor that Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental or option rights hereunder.

(c) Neither Developer, nor any of Developer's partners (if Developer is a partnership), customers (if Developer is a limited liability company) or shareholders (if Developer is a corporation), without Franchisor's prior written consent, by operation of law or otherwise, shall sell, assign, transfer, convey, give away or encumber to any person, firm or corporation, all or any part of Developer's interest in this Agreement or Developer's interest in the rights granted hereby or Developer's interest in any proprietorship, partnership, limited liability company, corporation or other entity which owns any interest in such rights, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person, firm or corporation. Developer may not, without Franchisor's prior written consent, fractionalize any of Developer's rights granted pursuant to this Agreement. Any purported assignment of any of Developer's or any of Developer's partner's, member's or shareholder's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder. Any assignment or transfer may only be made if the proposed assignees or transferees: (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet Franchisor's then applicable standards for developers, (iii) are willing to assume all of Developer's obligations hereunder and to execute and be bound by all provisions of Franchisor's then-current form of the Area Development Agreement for a term equal to the remaining term hereof; and (iv) willing to assume all of Developer's obligations under each and every Franchise Agreement Developer entered with Franchisor. As a condition to granting

Franchisor's approval of any such assignment or transfer, Franchisor may require Developer or the assignee or transferee to pay to Franchisor, Franchisor's then-current assignment fee to defray expenses incurred by Franchisor in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer. Franchisor shall have the right to require Developer and Developer's owners to execute a general release of Franchisor and Franchisor's owners, directors, officers, successors and assigns, in form and content satisfactory to Franchisor as a condition to Franchisor's approval of the assignment of this Agreement or ownership of Developer.

(d) This Agreement may be assigned to a partnership, limited liability company or corporation which conducts no business other than the business contemplated hereunder and the operation of Detail Garage Stores, which is actively managed by Developer and in which Developer owns and controls, and continues to own throughout the term of this Agreement, not less than fifty-one percent (51%) of the general partnership interest, limited liability company interest or the corporate equity and voting power, provided that all partners, customers or shareholders shall execute an assignment agreement in a form approved by Franchisor undertaking to be bound jointly and severally by all provisions of this Agreement and all issued and outstanding stock certificates of such corporation or other evidence of ownership interest in a partnership or limited liability company shall bear a legend reflecting or referring to the restrictions of this Agreement as designated by Franchisor.

(e) If Developer or Developer's owners shall at any time determine to sell the rights under this Agreement or any of Developer's respective ownership interests in Developer or any of Developer's assets (except in the ordinary course of business), Developer or Developer's owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer or Developer's owners, to purchase such rights under this Agreement or such ownership interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and that Franchisor shall have not less than sixty (60) days to prepare for closing. If Franchisor does not exercise this right of first refusal, Developer or Developer's owners, as applicable, may complete the sale of such interest in this Agreement or such ownership interest, subject to Franchisor's approval of the purchaser as provided in this Section IX, provided that if such sale is not completed within ninety (90) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein.

(f) Developer must give Franchisor ninety (90) days' written notice prior to any sale or assignment of a full or partial interest in Developer by Developer or any of Developer's owners. The purpose of this Subsection is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws. Developer agrees to indemnify and hold Franchisor harmless for Developer's failure to comply with this Subsection.

(g) Developer must, within fifteen (15) days of receipt of an offer to buy, give Franchisor written notice whenever Developer or any of Developer's owners have received an offer to buy Developer's or such owner's interest in this Agreement or an interest in Developer itself or any options pursuant to this Agreement. Developer must also give Franchisor written notice simultaneously with an offer to sell any interest in this Agreement or an interest in Developer or any options pursuant to this Agreement, made by, for or on behalf of Developer or any of Developer's owners.

(h) No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the options granted thereby, shall relieve Developer and the shareholders, customers or partners participating in any transfer, of the obligations of the covenants not to compete with Franchisor contained in this Agreement except where Franchisor shall expressly authorize in writing.

X. COVENANTS

(a) Developer acknowledges that Franchisor has granted Developer the rights under this Agreement in consideration of and reliance upon Developer's agreement to deal exclusively with Franchisor. Developer therefore agrees that, during this Agreement's term, neither Developer, any of Developer's owners, nor any of Developer's or Developer's owners' immediate family customers will:

(i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Subsection);

(ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(iii) recruit or hire any person then employed, or who was employed within the immediately preceding twenty-four (24) months, at a Detail Garage Store operated by Franchisor, any of Franchisor's affiliates, or by a franchisee without obtaining the employer's prior written permission;

(iv) divert or attempt to divert any actual or potential business or customer of a Detail Garage Store to a Competitive Business; or

(v) engage in any other activity which might injure the goodwill of the Marks and/or the System.

The term "Competitive Business" means any business (other than a Detail Garage Store) principally offering products and services substantially similar to the products and services then being offered by the majority of the Detail Garage Stores.

(b) Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, for a period of two (2) year after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company or corporation, own, maintain, engage in, consult with or have any interest in any Competitive Business within the Designated Territory or within a five (5) mile radius of any other Detail Garage Store in operation or under construction on the later of the effective date of termination or expiration of this Agreement or on the date on which all persons restricted by this Subsection begin to comply with this Subsection.

(c) 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 Section X is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees 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 Section X.

(d) Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section X(a) or X(b) of this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees that Developer shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

(e) Franchisor shall have the right to require all of Developer's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

(f) In addition to the foregoing covenants, Developer shall be bound by and comply with the covenants contained in each Franchise Agreement executed by Franchisor and Developer.

XI. NOTICES

All written notices permitted or required to be delivered by the provisions of this Agreement, shall be deemed so delivered on the date when hand delivered; one (1) day after sending by telegraph or after the date of deposit, if deposited with a commercial delivery service which guarantees next day delivery; or three (3) days after placed in the mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most-current principal business address of which the notifying party has been notified.

XII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

(a) It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

(b) Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

(c) Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any act or omission of Developer in Developer's conduct of any Detail Garage Store or any claim or judgment arising therefrom. Developer shall indemnify and hold Franchisor harmless against any and all such claims directly or indirectly from, as a result of or in connection with Developer's operations hereunder or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

(d) Developer acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at Franchisor's sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any developer based upon the peculiarities of the particular

location or circumstance, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of Developer's business under any Franchise Agreement. Developer shall not be entitled to require Franchisor to disclose or grant to Developer a like or similar variation hereunder to that which may be accorded to any other developer.

XIII. APPROVALS

(a) Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.

(b) Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement or by reason of any neglect, delay or denial of any request therefor.

XIV. NON-WAIVER

No failure by Franchisor to exercise any power reserved to Franchisor in this Agreement or to insist upon compliance by Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance or omission by Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement, affect or impair Franchisor's rights, nor shall the same constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

XV. SEVERABILITY AND CONSTRUCTION

(a) Each provision of this Agreement shall be deemed severable from the others.

(b) Nothing in this Agreement shall confer upon any person or legal entity other than the parties hereto and such of their respective successors and assigns as may be contemplated by Section IX hereof, any rights or remedies under or by reason of this Agreement.

(c) All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

(d) All references herein to gender and number shall be construed to include such other gender and number as the context may require and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by all the parties hereto which execute this Agreement on Developer's behalf.

(e) This Agreement may be executed in duplicate and each copy so executed shall be deemed an original.

(f) Nothing contained herein shall be deemed a waiver of any rights Developer may have to

rely on information contained in the franchise disclosure document.

XVI. ENTIRE AGREEMENT

This Agreement constitutes the entire, full and complete agreement between the parties hereto concerning the subject matter hereof, and supersedes all prior agreements. However, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

XVII. SUPERIORITY OF FRANCHISE AGREEMENT

For each Detail Garage Store developed in the Designated Territory, a separate Franchise Agreement shall be executed and any individual franchise fee as prescribed by Franchisor shall be paid to Franchisor. It is understood and agreed by Developer that any and all Franchise Agreements executed in connection with Detail Garage Stores within the Designated Territory are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Designated Territory, the latter shall have precedence and superiority over the former.

XVIII. ENFORCEMENT

(a) No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(b) Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Franchisor, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to Franchisor's obligation to arbitrate the underlying claim if required by Section XIX). Developer agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Developer's only remedy if an injunction is entered against Developer will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

XIX. DISPUTE RESOLUTION

For the purposes of this Section XIX, "Developer" shall be deemed to include its owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include Franchisor, its parent, and its affiliates.

(a) MEDIATION, MANDATORY BINDING ARBITRATION, AND WAIVER OF COURT TRIAL

Developer and Franchisor believe that it is important to resolve any disputes amicably,

quickly, cost effectively and professionally and to return to business as soon as possible. Developer and Franchisor have agreed that the provisions of this Section XIX support these mutual objectives and, therefore, agree as follows:

(1) **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, including any claim for equitable relief and/or where Developer is acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving Developer and Franchisor on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner, Developer and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section XIX.(4).

(i) First, discussed in a face-to-face meeting held within thirty (30) days after either Developer or Franchisor give written notice to the other proposing such a meeting. If the parties are unable to agree on a location for the meeting, the meeting shall take place at Franchisor's then-current headquarters.

(ii) Second, if not resolved, submitted to non-binding mediation. Developer and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Developer and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(iii) Third, submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the arbitration rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction.

(2) **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

(3) **Fees and Costs**. The parties will bear their own fees and costs, including attorneys' fees; provided that for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration against the party who does not prevail.

(4) **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes relating primarily to (a) the validity of the Marks and/or any intellectual property licensed to Developer, and (b) injunctive relief for health and safety issues and violations, may be subjected to court proceedings, at Franchisor's sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any intellectual property licensed to Developer and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the Claim Process outlined above.

(5) **Intentions of Developer and Franchisor**. Developer and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, and shortened periods in which to bring Claims;

(iii) Developer and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) **Developer and Franchisor each knowingly waive all rights to a court trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement; and

(v) the terms of this Agreement (including but not limited to this Section XIX) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Developer.

(b) VENUE

Without in any way limiting or otherwise affecting the obligations of Developer and Franchisor under Section XIX (a) above, Developer and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in the county where Franchisor's then-current headquarters is located.

(c) TERMS APPLICABLE TO ALL PROCEEDINGS, WAIVER OF TRIAL BY JURY, CERTAIN CLAIMS, AND CLASS ACTION RIGHTS

With respect to any arbitration, litigation or other proceeding of any kind, Developer and Franchisor:

(1) **knowingly waive all rights to trial by jury**; and

(2) **will pursue any proceeding on an individual basis only, and not on a class-wide or multiple plaintiff basis**.

(d) LIMITATIONS ON CLAIMS

Neither party may make claims for emotional distress, whether negligent or intentional, nor punitive damages.

(e) PERIODS IN WHICH TO MAKE CLAIMS

No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either Developer or Franchisor will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

(i) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(ii) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

(f) SEVERABILITY OF PROVISIONS

Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

(g) CHOICE OF LAWS

Developer and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Developer and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning Developer and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of California; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall **not** apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section XIX.(g). Developer and Franchisor agree that this provision shall be enforced without regard to the laws of California relating to conflicts of laws or choice of law.

XX. "DEVELOPER" DEFINED AND GUARANTY

If two or more persons are at any time parties to this Agreement, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Developer (or a transferee of this Agreement or an ownership interest in Developer), including, without limitation, any person who has a direct or indirect interest in Developer (or a transferee) or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling ownership interest" in Developer or one of Developer's owners (if an entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Developer or one of Developer's owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

XXI. ELECTRONIC MAIL

(a) Developer acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that Franchisor and Developer may utilize e-mail for such communications. Developer authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates ("Official Senders") to Developer during the term of this Agreement. Developer further agrees that: (a) Official Senders are authorized to send e-mails to those of Developer's employees as Developer may occasionally authorize for the purpose of communicating with Franchisor; (b) Developer will cause Developer's officers, directors and employees to give their consent to Official Senders' transmission of e-mails to them; (c) Developer will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with Developer; and (d) Developer will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

(b) This consent given in this Section shall not apply to the provision of notice by either party under this Agreement pursuant to Section XI unless Franchisor and Developer otherwise agree in a written document manually signed by both parties.

XXII. ACKNOWLEDGMENTS

Developer acknowledges:

(a) That Developer has independently investigated this franchise opportunity and recognizes that, like any other business, the nature of the business a Detail Garage Store conducts may, and probably will, evolve and change over time.

(b) That an investment in a Detail Garage Store involves business risks that could result in the loss of a significant portion or all of Developer's investment.

(c) That Developer's business abilities and efforts are vital to Developer's success and the success of Developer's business.

(d) That Developer has not received from Franchisor, and is not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Detail Garage Store, that any information Developer has acquired from other Detail Garage Store Developers/Franchisees regarding their sales, profits, or cash flows was not information obtained from Franchisor, and that Franchisor makes no representation about that information's accuracy.

(e) That in all of their dealings with Developer, Franchisor's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between Developer and them as a result of this Agreement are deemed to be only between Developer and Franchisor.

(f) That Developer has represented to Franchisor, to induce Franchisor's entry into this Agreement, that all statements Developer has made and all materials Developer has given Franchisor are accurate and complete and that Developer has made no misrepresentations or material omissions in obtaining the franchise.

(g) That Developer has read this Agreement and Franchisor's franchise disclosure document and understands and accepts that this Agreement's terms and covenants are reasonably necessary for Franchisor to maintain Franchisor's high standards of quality and service, as well as the uniformity of those standards at each Detail Garage Store, and to protect and preserve the goodwill of the Marks.

(h) That Franchisor has not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and Franchisor's franchise disclosure document, and that Developer has independently evaluated this opportunity, including by using Developer's business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Agreement.

(i) That Developer has been afforded an opportunity to ask any questions Developer has and to review any materials of interest to Developer concerning this franchise opportunity.

(j) That Developer has been afforded an opportunity, and has been encouraged by Franchisor, to have this Agreement and all other agreements and materials Franchisor has given or made available to Developer reviewed by an attorney and has either done so or elected not to do so.

(k) That Developer has a net worth which is sufficient to make the investment in the franchise opportunity represented by this Agreement, and Developer will have sufficient funds to meet all of Developer's obligations under this Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in duplicate on the day and year first above written.

DETAIL GARAGE, LLC
a California limited liability company

By:_____

Title:_____

DATED:_____

Developer

(IF Developer IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT A TO THE AREA DEVELOPMENT AGREEMENT

DESCRIPTION OF DESIGNATED TERRITORY

_____

_____

_____

_____

_____

DETAIL GARAGE, LLC
a California limited liability company

By:_____

Title:_____

DATED:_____

Developer

(IF Developer IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF Developer IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

EXHIBIT B TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

At the dates set forth below, Developer is obligated by Section IV of the Area Development Agreement to have open and in operation the number of Detail Garage Stores as indicated below:

Development Period	Date Development Period Commences	Date Development Period Ends	Cumulative Number of Stores to be Open and in Operation
First	_____, 20__	_____, 20__	_____
Second	_____, 20__	_____, 20__	_____
Third	_____, 20__	_____, 20__	_____
Fourth	_____, 20__	_____, 20__	_____

"FRANCHISOR"
DETAIL GARAGE, LLC
a California limited liability company

By:_____

Title:_____

DATED:_____

DEVELOPER
(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By:_____

Title:_____

DATED:_____

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT C TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____ _____, 20 __, by _____ _____ _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (the "Agreement") on this date by DETAIL GARAGE, LLC ("Franchisor"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and Franchisor's successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ ("Developer") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Developer or any other person; and (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer or to 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 will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

If Franchisor is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, Franchisor shall be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the

undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Guarantor agrees to be personally bound by the arbitration obligations under Section XIX of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in Section XIX of the Agreement in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

Signature: _____ Signature: _____

Name: _____ Name: _____

Signature: _____ Signature: _____

Name: _____ Name: _____

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

_____ _____

Name of Guarantor Name of Guarantor

_____ _____

Name of Guarantor's Spouse Name of Guarantor's Spouse

_____ _____

Signature of Guarantor's Spouse Signature of Guarantor's Spouse

_____ _____

Name of Guarantor Name of Guarantor

_____ _____

Name of Guarantor's Spouse Name of Guarantor's Spouse

_____ _____

Signature of Guarantor's Spouse Signature of Guarantor's Spouse

Exhibit K
To Franchise Disclosure Document

ORDER SUPPORT AGREEMENT

DETAIL GARAGE
ORDER SUPPORT AGREEMENT

This Order Support Agreement (this "Agreement") is entered into by _____ ("Franchisee") and Detail Garage, LLC ("Franchisor") on _____ ___, 2021. Franchisee and Franchisor are sometimes individually referred to as a "Party" and collectively as "Parties."

RECITALS

A. Franchisee is a franchisee of Franchisor and owns and operates a Detail Garage franchise under the franchise agreement between them, dated _____ (the "Franchise Agreement").

B. In connection with the Franchise Agreement and its Detail Garage franchise, Franchisee orders products from Detail Garage's affiliate, Smart, LLC ("Smart") and sells those products at its Detail Garage franchise store.

C. Absent this Agreement, Franchisee is under no obligation to use the service and/or support offered in this Agreement.

D. Absent this Agreement, Franchisor is under no obligation to offer the service and/or support offered in this Agreement.

E. Franchisee desires to receive ordering support and recommendations for its Detail Garage franchise from Franchisor, and it is at Franchisee's request that Franchisor is offering the service and/or support in this Agreement.

NOW, THEREFORE, in consideration of their respective agreements and undertakings set forth herein, the Parties, intending to be legally bound hereby, agree as follows:

AGREEMENT

1. Recitals. The above recitals are hereby incorporated into this Agreement as if fully set forth herein.

2. Franchise Agreement. The Parties acknowledge the Franchise Agreement and incorporate its terms and conditions by this reference, including but not limited to Article 16 of the Franchise Agreement concerning Dispute Resolution and containing, among other things, an arbitration clause.

3. Franchisor Support. Pursuant to the terms and conditions in this Agreement, Franchisor agrees to provide the following service:

a. Franchisor will review Franchisee's point-of-sale system to review Franchisee's current inventory of products, sell-thru projections, and sales projections to provide Franchisee with a **RECOMMENDED** product order from Smart;

b. Franchisor will provide Franchisee a **RECOMMENDED** order from Smart every two weeks, starting on the first day of the month following the execution of this Agreement;

c. Franchisor will rely on Franchisee's point-of-sale system to provide accurate and necessary information for Franchisor to formulate its recommended order from Smart;

d. Franchisor will not, and is not obligated to, review any other information except for that contained in the Franchisee's point-of-sale system when formulating its recommended order from Smart;

e. Franchisor may, but is not required to, review Smart's current and available inventory when formulating the **RECOMMENDED** order from Smart for Franchisee, and Franchisor is not responsible for ensuring that the products it recommends from Smart are in stock or available to Franchisee;

f. Franchisor is not obligated to and will **NOT** submit any orders to Smart on Franchisee's behalf; and

g. Franchisor does not guarantee that the products it recommends to Franchisee will be in stock and available from Smart.

4. <u>Franchisee's Obligations and Acknowledgements</u>. Pursuant to the terms and conditions in this Agreement, Franchisees agrees to the following:

a. Franchisee agrees to pay Franchisor $200 each month for every month this Agreement remains in effect, starting on the first day of the first month following execution of this Agreement and continuing on the first day of each successive month thereafter;

b. Franchisee agrees it is responsible for maintaining accurate records in its point-of-sale system;

c. Franchisee acknowledges that Franchisor will develop ordering recommendations from Smart based on Franchisee's point-of-sale system;

d. Franchisee is responsible for reviewing Franchisor's recommended order from Smart and then submitting an order to Smart, which may or may not incorporate Franchisor's recommendations;

e. Franchisee acknowledges that Franchisor's recommendations are only recommendations and Franchisee is **NOT** required to follow, use, or rely on Franchisor's recommended orders from Smart;

f. Franchisee acknowledges that Franchisor will **NOT** submit any orders to Smart and Franchisee is the only one responsible for submitting orders to Smart;

g. Franchisee acknowledges that it may make any order, subject to its terms and conditions with Smart, that it desires, and may make additional orders to those recommended by Franchisor;

h. Franchisee acknowledges that Franchisor makes no representations or guarantees that the recommended orders from Smart or recommended products from Smart will sell or will lead to a successful franchise store; and

i. Franchisee acknowledges that it is solely responsible for paying Smart for Franchisee's orders and Franchisor will have no responsibility for the amounts due to Smart.

5. Termination.

a. Franchisee may terminate this Agreement at any time by submitting a notice of termination in writing to Franchisor. Upon termination Franchisee will be liable for any service fees accrued to that date.

b. Franchisor may terminate this Agreement upon thirty (30) days' written notice to Franchisee. Franchisor will continue to provide the support contained in this Agreement during the notice period.

c. In the event Franchisee fails to make a monthly payment to Franchisor when due, Franchisor may immediately terminate this Agreement (without providing further notice) by submitting a notice of immediate termination in writing to Franchisee.

6. Successors. This Agreement is binding upon and inures to the benefit of each of the Parties' respective successors and assigns.

7. Governing Law. This Agreement is governed by and construed and enforced in accordance with the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of law.

8. Amendment; Waiver. This Agreement may be amended only in a written instrument signed by all Parties, and the rights of a Party may be waived only in a written instrument signed by such Party. Except as otherwise expressly provided herein, no delay or failure of any Party to enforce at any one or more times, or for any periods of time, any or all provisions of this Agreement shall be construed as a waiver of any such provisions or shall diminish or affect the right of such Party thereafter to enforce the same or any other provision.

9. Severability. Should any provision of this Agreement be void or unenforceable for any reason, such provision shall be deemed omitted, and this Agreement, with such provision omitted, shall remain in full force and effect.

10. Counterparts and Electronic Signatures. This Agreement may be signed in any number of counterparts, which, when taken together, shall form and constitute one and the same Agreement. Any Party may sign this Agreement and transmit its signature by means of email or facsimile or pdf, which shall be deemed to be an original as against any Party whose signature appears thereon. This Agreement shall become binding and effective when one or more counterparts hereof, individually or taken together, shall bear the signature of all of the Parties reflected hereon as the signatories.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below.

Dated: _____ **Detail Garage, LLC**

By: _____

Name: _____

Title: _____

Dated: _____ **[Franchisee]**

By: _____

Name: _____

Title: _____

Exhibit L
To Franchise Disclosure Document

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Documents 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, registered or exempt from registration, as of the Effective Date stated below:

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

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

Exhibit M
To Franchise Disclosure Document

RECEIPTS

RECEIPT

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

If Detail Garage, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Detail Garage, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit B.

The franchisor is Detail Garage, LLC located at 14108 S. Western Ave., Gardena, California 90249. The name, principal business address, and telephone number of each Franchise Seller offering the Franchise are David Knotek, Paul Schneider, John Mansfield, and Chad Zani, at 14108 S. Western Ave., Gardena, California 90249 and (310) 227-7163.

Issuance Date: April 12, 2021, as amended July 29, 2021. Detail Garage, LLC authorizes the agents listed in Exhibit B to receive service of process for it.

I have received a Franchise Disclosure Document dated April 12, 2021, as amended July 29, 2021. This Disclosure Document included the following Exhibits:

A. FRANCHISE AGREEMENT AND EXHIBITS
B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
C. FINANCIAL STATEMENTS
D. STATEMENT OF PROSPECTIVE FRANCHISEE
E. TABLE OF CONTENTS OF THE OPERATIONS MANUAL
F. GENERAL RELEASE OF ALL CLAIMS
G. STATE-SPECIFIC ADDENDA
H. LIST OF FRANCHISEES AND THEIR OUTLETS
I. LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT
J. AREA DEVELOPMENT AGREEMENT
K. ORDER SUPPORT AGREEMENT
L. STATE EFFECTIVE DATES
M. RECEIPTS

_____ _____

(Print Name) (Signature)

_____

Date

Keep this copy for your records.

RECEIPT

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

If Detail Garage, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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J. AREA DEVELOPMENT AGREEMENT
K. ORDER SUPPORT AGREEMENT
L. STATE EFFECTIVE DATES
M. RECEIPTS

_____ _____

(Print Name) (Signature)

_____

Date

Please sign this copy of the receipt, date your signature, and return it to: Detail Garage, LLC located at 14108 S. Western Ave., Gardena, California 90249.