FRANCHISE DISCLOSURE DOCUMENT

Eat Gather Love

EGL California, LP
a California Limited Partnership
5210 E Pima St
Tucson, Arizona 85712
Phone: (833) 253-8721
www.eatgatherlove.com
franchising@amazingkitchenfacelifts.com

We offer franchises for the right to own and operate a business (each, a "Franchised Business") that specializes in renovating kitchens by: (i) offering a line of approved products, including without limitation, door fronts, drawer fronts, bench tops, doors, countertops, cabinets and related installation hardware, which are supplied by third parties that have an established relationship with us (collectively, the "Approved Products"); and (ii) generating and facilitating customer projects via marketing, sales and project management services, as well as the actual installation and other kitchen renovation services performed on behalf of customers (each, a "Client") that may be conducted by third-party contractors, employees or other personnel engaged by the Franchised Business (the "Approved Services").

The total investment necessary to begin operation of a Franchised Business ranges from $132,300 to $269,750. This includes $50,000 that must be paid to the franchisor or its affiliates prior to opening.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure document, the franchise agreement or any other related 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 our corporate office at 5210 E. Pima St., Tucson, Arizona 85712, or via telephone at (833) 253-8721.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (the "FTC"). 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.

The issue date of this Franchise Disclosure Document ("FDD") is: April 20, 2018.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND/OR LITIGATION ONLY IN ARIZONA. OUT-OF-STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE OR MEDIATE IN ARIZONA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH INDIVIDUAL OWNING AN INTEREST IN THE FRANCHISEE ENTITY MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF EACH FRANCHISE OWNER AT RISK.

4. THE PRIMARY TRADEMARK THAT YOU WILL USE IN YOUR BUSINESS IS NOT FEDERALLY REGISTERED. IF THE FRANCHISOR’S RIGHT TO USE THIS TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR FRANCHISOR. THIS CHANGE CAN BE EXPENSIVE AND MAY RECUDE BRAND RECOGNITION OF THE PRODUCTS OR SERVICES YOU OFFER.

5. A CONTRACT WHICH RESTRAINS A FORMER FRANCHISEE FROM ENGAGING IN A LAWFUL TRADE OR BUSINESS IS TO THAT EXTENT VOID UNDER CALIFORNIA BUSINESS AND PROFESSIONS CODE 16600.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

   We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Pending Registration
Florida (exemption)	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky (one-time exemption)	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
Nebraska (one-time exemption)	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas (one-time exemption)	Not Registered
Utah (exemption)	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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EXHIBITS

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

The party offering the franchise described in this Disclosure Document is EGL California, LP. For ease of reference this Disclosure Document will refer to EGL California, LP as "we," "us" "our" and "EGL." The words "you" and "your" refer to the person to whom we grant a franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of our franchise agreement attached as Exhibit A (the "Franchise Agreement") also apply to your owners and will be noted.

Master Franchisee

We are a California limited partnership formed in March 2017 with a principal business address at 5210 E. Pima St, Tucson, Arizona 85712, and our telephone number is (833) 253-8721. We do business only under our corporate name and our primary mark EATGATHERLOVE and other current proprietary marks (as described more fully below).

The Franchised Business; Franchisor's other Business Activities

We franchise the right to operate a Franchised Business that specializes in renovating kitchens by soliciting and offering to customers an authorized line of Approved Products, including without limitation, door fronts, drawer fronts, doors, countertops, cabinets and related hardware installation, that customers can purchase from third-party suppliers with whom we have established relationships; and (ii) performing the Approved Services to generate and facilitate customer projects, including but not limited to (a) marketing and sales, (b) general business administration with respect to the Franchised Business and Client projects, and (c) the actual installation and other kitchen renovation services performed for Clients that must be performed by individual(s) that have all required and applicable licenses, permits and approvals necessary to undertake and complete such work.

The marketing and sales activities associated with your Franchised Business can be accomplished through, among other things, in-home sales calls and/or consultations that are conducted via a vehicle that we designate or approve (the "Approved Vehicle"). While some franchisees may choose to own and operate a bricks-and-mortar retail showroom to display and promote certain of the Approved Products you will be authorized to offer (a "Retail Showroom"), this is not essential and we expect that you will typically operate your Franchised Business from a home office during the first year or two you are open and operating. Regardless of whether you operate from a Retail Location or home office, we must approve the site from which you operate your Franchised Business (the "Approved Location").

Each Franchised Business is operated within a defined geographic area that typically contains a population of approximately 500,000 people (the "Designated Territory"). You are required to operate your Franchised Business out of a single location located within the Designated Territory that we approve (the "Approved Location").

The Franchised Business operates under our proprietary mark, EATGATHERLOVE, as well as any other service marks, trademarks or logos that we modify or supplement as we deem advisable (collectively, the "Proprietary Marks"). The Franchised Business operates using the uniform standards, methods, procedures and specifications developed by us, including proprietary software ("Proprietary Software") and the information contained in our confidential operations manual (the "Manual)", all of which we may modify from time to time (our "System").

We first began offering and selling franchises for the right to own and operate Franchised Businesses as of the Issue Date of this Disclosure Document. We are not engaged in any line of business or activities other than offering franchises for the right to independently own and operate a Franchised Business.

Parent

Our parent, EGL USA, LP, was formed in Delaware in February 2017 with a principal place of business at 5210 E. Pima St, Tucson AZ USA 85712 ("EGL USA").

EGL USA has the right to offer and sell Franchised Businesses utilizing the Proprietary Marks and System in all parts of the United States other than the State of California. EGL USA does not have the right to enter into Franchise Agreements for the right to own and operate a Franchised Business to be located in California.

As of the Issue Date of this Disclosure Document, EGL USA has not sold any master or unit franchise rights to any third party in the United States or internationally, but reserves the right to sell such rights in the United States other than within the State of California.

Other Affiliates

Amazing Kitchen Facelifts USA in NZ, LP was formed under the laws of New Zealand in May 2017 with a principal place of business at Spencer House Mall, Dunmore St, Wanaka, New Zealand. This entity was granted the right to offer the franchise and other rights discussed herein by the Dream Trust New Zealand.

The Dream Trust New Zealand was formed under the laws of New Zealand in 2007 and has a principal business address at 4 Ryalls Way, RD 2 Wanaka, 9382, New Zealand. Dream Trust: (i) owns the franchising rights with respect to the System and Proprietary Marks for New Zealand, Australia, the United States and certain other jurisdictions; and (ii) licenses the foregoing rights to (a) Amazing Kitchen Facelifts USA in NZ, LP as described above in this Item, and (b) the three (3) entities described immediately below in this Item for the jurisdictions of New Zealand and Australia, respectively.

Our affiliate, Dream Doors NZ Limited ("Dream Doors NZ"), was formed under the laws of New Zealand in 2007 and has a principal business address at Spencer House Mall, Dunmore St, Wanaka, New Zealand. Since its formation in 2007, Dream Doors NZ has offered and sold franchises for the right to own a franchise that is operated in a similar manner to the Franchised Business being offered in this Disclosure Document, except that such franchises operate primarily under the proprietary mark DREAM DOORS (each, a "Dream Doors Franchise") in the jurisdiction of New Zealand. As of the Issue Date of this Disclosure Document, Dream Doors NZ has approximately 10 Dream Doors Franchises that are subject to an active franchise agreement.

Our affiliate, Dream Doors International Limited ("Dream Doors International"), was formed under the laws of New Zealand in February 2014 and has a principal business address is 4 Ryalls Way, Lake Hawea, 9382, New Zealand. Since its formation in 2014, Dream Doors International has offered and sold franchises for the right to own Dream Doors Franchises in the jurisdiction of Australia. As of the Issue Date of this Disclosure Document, Dream Doors International, has issued master franchise rights to Dream Doors Australia (defined below).

Our affiliate, Dream Doors Australia Pty Limited ("Dream Doors Australia"), was formed in April 2005 under the laws of Australia and has a principal business address is 26A Alfred Street, Milsons Point NSW 2061, Australia. Since 2014, Dream Doors Australia has offered and sold franchises for the right to own Dream Doors Franchises in the jurisdiction of Australia. As of the Issue Date of this Disclosure Document, Dream Doors Australia, has approximately 22 Dream Doors Franchises with an active franchise agreement in place.

Except as set forth above in this Item and under the following heading, neither we nor any of our affiliates have ever: (i) sold franchises in any other line of business; or (ii) conducted a business of the type described in this Disclosure Document. Except as provided in this Item, none of our affiliates are involved in any other material business activity.

General Description of the Market and Competition

You will target your services to owners and managers of homes and apartments. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar products or services to customers. You may also encounter competition from other franchises. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from internet-based organizations that provide information and some related services or products. Our ability to fulfill our obligations under the Franchise Agreement depends in part on our present and future financial condition. Litigation risks also exist, including future litigation that may not be predicted.

Regulations Specific to the Industry

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking and availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) regulate matters affecting requirements for accommodations for disabled persons; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) set standards and regulations regarding the licenses and permits necessary to provide installation services as a contractor.

You must investigate and comply with all of these applicable laws and regulations, as we have not investigated any laws or regulations to determine whether they are applicable to the operation of your Franchised Business. You alone are responsible for complying with all applicable laws and regulations, despite any advice or information that we may give you.

In particular, you are solely responsible for determining what, if any, licenses/permits/approvals you or the Franchised Business will need in order to offer, sell and provide the Approved Products and Services within your Designated Territory. You or the parties you engage to provide the Approved Services will have such required licenses/permits/approvals prior to commencing operation of your Franchised Business, and our franchise offering expects and assumes that any personnel you hire or otherwise engage to provide certain services will have the appropriate training and licenses associated with the provision of such services. We are not authorized to provide you with any legal or other advice regarding these matters.

It is our understanding that you or one of your principals or personnel will be required to get a contractor's license from the Contractors State License Board and/or meet certain other qualifications to serve as a responsible managing employee ("RME") and/or a responsible managing officer ("RMO") of the franchisee. For additional information, we recommend reviewing the website content located at http://www.cslb.ca.gov/About_Us/Library/Licensing_Classifications/ with your local counsel and business advisors prior to purchasing a franchise from us. Please consult with your local counsel regarding the laws and regulations in California to determine whether you will need a RME and/or RMO in connection with your Franchised Business.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you, nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at http://www.ustreas.gov/offices/enforcement/ofac/programs.

Agents for Service of Process

Our agents for service of process are listed in Exhibit E to this Disclosure Document.

ITEM 2
BUSINESS EXPERIENCE

Derek John Lily: Chief Executive Officer

Derek has served as our CEO since our inception in March 2017. Derek also serves, or has served, as: (i) Managing Director for Dream Doors NZ, located in New Zealand, since its inception in 2007; (ii) CEO of Dream Doors International, located in New Zealand, since its inception in 2014; (iii) Director of Adfixit, located in New Zealand, since October 2015; (iv) Director of Dream Doors Australia, primarily performing his duties in Australia and New Zealand, since 2013; (v) Director of Dream Empire Limited, located in New Zealand, from April 2007 through September 2015; (vi) Director of Dream Doors Canada, primarily performing his duties in New Zealand, since February 2015; and (vii) Director of Dream Doors Consultancy, a consulting firm located in New Zealand, since February 2015. Derek has also served as the CEO of EGL USA since its inception in February 2017.

Richard Prout: Chief Technology Officer

Richard has served as our Chief Technology Officer since our inception. Richard also serves, or has served, as: (i) CEO of Solution Foundry, Ltd., a United Kingdom software company, since 2001; (ii) Director of 1791 Diamonds Ltd., a New Zealand e-commerce company, since 2008; (iii) Director of Adfixit, located in New Zealand, since October 2015; (iii) Director of KBOS, Ltd., a New Zealand-based company, since April 2012; (iv) Director of Pembroke Statistical Trading, located in New Zealand, since 2010; (v) Limited Partner of Eden Ventures LP, a United Kingdom limited partnership, since 2001; and (vi) Information Technology Consultant to Dream Doors NZ and Dream Doors International, primarily performing his duties from New Zealand, since March 2014; and (iivvii) Director of Amazing Kitchen Facelifts USA in NZ Limited, since 2017. Richard has also served as Chief Technology Officer of EGL USA since its inception.

Dan Bish: USA Managing Director

Dan has served as our USA Managing Director since May 2017. Dan also serves as: (i) a Partner of FranLaunch USA, LLC, a franchise management consulting firm located in Tucson, Arizona, since 2015; (ii) Managing Director of SkyIsland Software Development, LLC, located in Tucson, Arizona, since May 2014; and (iii) CEO and Owner of Tuscon Custom Apparel, Inc., located in Tucson, Arizona, since June 2010.

ITEM 3
LITIGATION

No litigation must 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

You must pay us an initial franchise fee of $50,000 for your first Franchised Business (the "Initial Franchise Fee"). As part of your Initial Franchise Fee, we may provide you with an initial supply of uniforms, supplier product samples and templates for stationary, business cards and certain promotional materials that we determine appropriate.

If you are an existing franchisee and you are operating in compliance with your existing Franchise Agreement(s), then we will charge you a reduced Initial Franchise Fee amounting to: (i) $40,000 under your second Franchise Agreement; and/or (iii) $40,000 under your third and each additional Franchise Agreement.

Your Initial Franchise Fee will be deemed fully earned when you execute the applicable Franchise Agreement under which that fee is due, and is not refundable under any circumstances.

Veteran's Discount

If you are a veteran that qualifies for the VetFran Program, we will proudly offer you a $5,000 discount on the Initial Franchise Fee you are required to pay to use in connection with your first Franchise Agreement you enter into with us to operate a single Franchised Business (meaning your reduced Initial Franchise Fee will be $45,000).

Except as provided in this Item, all fees paid to us that are disclosed in this Item are uniformly imposed on our franchisees.

ITEM 6
OTHER FEES

Name of Fee	Amount[1]	Due Date	Remarks
Royalty Fee [3]	The greater of: (i) 6% of the Gross Sales[2] generated by your Franchised Business during the preceding calendar month of operations, or (ii) $2,000 each month (the "Royalty"). We will waive your Royalty Fee during the first three months you operate your Franchised Business (the "Ramp Up Period").	On or before the 10th of each month.[5]	All royalty payments, and any other fees due to us or our affiliates under the Franchise Agreement, shall be collected via through Electronic Funds Transfer. After the Ramp Up Period, you will commence paying the Royalty.
Marketing Fund Contribution[4]	The greater of: (i) 3% of the Gross Sales of your Franchised Business, or (ii) $2,000/month (the "Fund Contribution").	On or before the 10th of each month based on the Gross Sales generated during the preceding calendar month	We will commence collecting your Marketing Fund Contribution when you start operating your Franchised Business. Payable in the same manner as your Royalty.

Name of Fee	Amount[1]	Due Date	Remarks
Technology Fee	The greater of: (i) 2% of the Gross Sales of your Franchised Business; or (ii) $1,000/month.	On or before the 10th of each month	Payable in the first full calendar month following the opening of your Franchised Business, and payable in the same manner as your Royalty. We will collect the Technology Fee, as we deem appropriate in our discretion, to cover some or all of the costs associated with certain software and other technology we designate for use in connection with the System. Currently, such technology may include access to franchise management system software, training software, certain required accounting software and job management software. Our collection of a Technology Fee does not limit or otherwise affect your obligation to pay suppliers directly for any technology that we determine is outside the scope of what the Technology Fee will cover.
Local Advertising	The greater of: (i) 7% of the Gross Sales generated by the Franchised Business during the preceding calendar month; or (ii) $5,000/month (the "Local Advertising Requirement").	As incurred each month.	You must commence expending your Local Advertising Requirement immediately upon opening your Franchised Business. You are not required to pay these amounts to us, but we will have the right to approve any advertising or promotional materials before they are distributed. This is the minimum amount we require you to expend, and we encourage you to expend additional amounts if you determine appropriate as the independent owner of your Franchised Business.

Name of Fee	Amount[1]	Due Date	Remarks
Renewal Fee	$5,000	Upon your renewal of Franchise Agreement after the initial 10-year term.	We reserve the right to charge you this renewal fee as one of the conditions to approving your request to renew your Franchise Agreement. You must also meet certain criteria before we will allow you to renew your Agreement.
Transfer Fee	The greater of: (i) $25,000, or (ii) 10% of the purchase sale price of the Franchised Business	Upon approved transfer or sale to another person or entity.	Payable when you sell or transfer your franchise with our approval. No charge if you transfer to a business entity that is owned by you, but you must sign the guaranty attached to the Franchise Agreement as one of the conditions to us approving such a transfer. You and your proposed transferee must satisfy certain other conditions in order for us to approve your proposed assignment or transfer of the Franchise Agreement or Franchised Business in any manner.
Ongoing Product Purchases[5]	Varies based on sales within your Designated Territory.	As incurred.	We may require you to purchase additional items from approved suppliers as necessary to service your customers. See Item 8 of this disclosure document for additional information.
Call Center	The then-current fee charged by our approved supplier for call center services.	As invoiced.	We have not currently established a System-wide call center (the "Call Center"), but we reserve the right to do so in the future.
Relocation Costs	Reimbursement of reasonable costs incurred by us	As incurred.	If you receive our prior written consent to relocate the Franchised Business, you must also reimburse us for the reasonable costs and expenses that we incur in connection with evaluating and approving the proposed relocation.

Name of Fee	Amount[1]	Due Date	Remarks
Training Fee	Our then-current training fee for certain types of training (the "Training Fee") Currently $750 per day per trainer, plus costs and expenses of attending training	As incurred.	We may require you (and any appropriate personnel) to attend up to five (5) days of remedial training as part of the curative actions you must complete in order to cure certain breaches under your Franchise Agreement ("Remedial Training"), including without limitation, any failure to complete any required training. In addition to Remedial Training, we reserve the right to charge our Training Fee in connection with any: (i) training that your request we provide; and/or (ii) any training we provide to replacement personnel of your Franchised Business.
Audit Fee[6]	Actual cost incurred by us if we determine you are underreporting by 2% or more	Once underreporting is determined	If underreporting of sales is determined, you pay the amount owed plus interest, along with all the costs related to performing the audit. There is no charge for the audit if sales are reported accurately.
Delinquency Charges	$50	As incurred.	Charged for each check given or electronic transfer made to us that is dishonored, fails to process, or is returned.
Interest	1.5% per month or highest rate under applicable law, whichever is greater	As incurred.	We reserve the right to charge interest on all late payments, with such interest accruing based on the number of days that have passed since the payment due date. The highest interest rate allowed by law in California is 10% annually.
Alternative Supplier Approval	Reimbursement of reasonable costs incurred by us	As incurred.	You must reimburse us for the reasonable costs and expenses that we incur in connection with testing a product or evaluating an unapproved supplier at your request, regardless of whether or not your request is approved or denied.

NOTES

1. **Generally.** Unless otherwise set forth in this Item, all fees noted in this Item 6 are uniformly imposed and are payable to us and are non-refundable. All fees due under the Franchise Agreement shall be collected by us through our Electronic Funds Transfer ("EFT") Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization in a form substantially similar to that attached as Schedule D to the Franchise Agreement contemporaneously with the execution of the Franchise Agreement that authorizes us to collect all fees by EFT.

2. **Gross Sales.** "Gross Sales" shall include all revenue from the sale of all products and performance of services from the Franchised Business, whether for cash, credit or barter and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business, except that "Gross Sales" from customers shall not include monies that are collected and submitted by Franchisee for transmittal to the appropriate taxing authority. In computing the Gross Sales, Franchisee shall be permitted to deduct the amount of cash refunds to, and coupons used by customers at the time the balance is fully paid to Franchisee, if such amounts have been included in Gross Sales of the Franchised Business.

3. **Royalty Fee.** In consideration for the right to use our Proprietary Marks and be a part our System, you must pay us a fee in the amount and manner as described in this Item 6.

4. **Marketing Fund Contribution.** In order to help promote the brand, Proprietary Marks, and System generally, you must contribute to the Marketing Fund in the amount and manner as described in this Item 6.

5. **Ongoing Product Purchases.** We reserve the right to require you to purchase additional items from an Approved Supplier in order to properly service your customers. The type and quantity of Ongoing Product Purchases will vary based upon your sales.

6. **Audit Costs.** Following an audit, if we find you have underreported sales by 2% of your year to date sales or more, you will pay the Royalty Fee and all other past amounts due under the Franchise Agreement due to your underreporting, as well as interest and all our costs associated with conducting the audit. Audit costs vary depending upon where you are located, the condition of your financial records, what we audit and when. There are no audit costs to you if your records, reports and payment are in order and current.

7. **Local Advertising and Regional Advertising Cooperative.** You must continuously promote the Franchised Business within your Designated Territory. Specifically, you expend the greater of (i) 7% of the Gross Sales of your Franchised Business, or (ii) $2,000, each month on the local advertisement and promotion of your Franchised Business. Upon our written request, you must provide us with invoices and other documentation necessary to demonstrate that you are in compliance with your monthly expenditure requirement. You will pay these amounts directly to local, regional or national suppliers, in accordance with our directives or approval. We may, as we deems necessary in its sole discretion, provide general guidelines for conducting Local Advertising to better assist Franchisee.

   We have the right, but not the obligation, to create a cooperative advertising program for the benefit of Franchised Businesses and other locations using the Proprietary Marks and System within a particular region (a "Cooperative"). We have the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative, and to require that you participate in a Cooperative that purchases advertising or promotions affecting your Designated Territory. Any amounts you contribute to a Cooperative will be credited towards your Local Advertising Requirement for the month(s) you are contributing.

8. **Payment Period and Method.** We may, in our sole discretion, change your payment schedule for your Royalty Fee to any other payment schedule, or require you to use any other method of payment, upon 30 days' written notice to you.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CATEGORY OF EXPENDITURE	AMOUNT[18]	METHOD OF PAYMENT[1]	WHEN DUE	TO WHOM PAID
Initial Franchise Fee[2]	$50,000	Lump sum	Upon execution of franchise agreement.	Us
Approved Vehicle[3]	$6,000 to $7,000	As incurred	As Arranged	Third-party lessor
Real Property: Security Deposit and Rent for 3 Months[4]	$0 to $15,000	Lease	As Arranged	If not operating from a home office, a third-party lessor
Leasehold Improvements[5]	$0 to $50,000	As incurred	As Incurred	Third-party supplier(s) and contractors
Equipment[6]	$1,000 to $3,000	As incurred	As Incurred	Third-party suppliers
Computer System[7]	$3,000 to $4,000	As incurred	As Arranged	Third-party supplier(s)
Stationary and Office Supplies[8]	$500 to $2,500	As incurred	As Arranged	Third-party suppliers
Professional Fees[9]	$3,000 to $8,000	As incurred	As Arranged	Attorney; Accountant
Utilities and Internet[10]	$0 to $3,500	As incurred	As Arranged	Utility companies
Opening Inventory[11]	$2,300 to $3,800	As incurred	As Arranged	Approved Supplier(s)
Local Advertising Requirement[12]	$15,000	As incurred	As Needed	Third-party suppliers or our Approved Suppliers
Expenses Associated with our Initial Training Program[13]	$5,000 to $10,000	As Arranged	As Arranged	Third-party vendors and providers
Third-Party Supplier Training[14]	$0 to $3,000	As incurred	As Arranged	Certain of our Approved Suppliers

CATEGORY OF EXPENDITURE	AMOUNT[18]	METHOD OF PAYMENT[1]	WHEN DUE	TO WHOM PAID
Training-Related Expenses for Installers/Contractors[15]	$0 to $5,000	As Arranged	As Arranged	Third-parties
Insurance[16]	$2,500 to $3,500	As Arranged	Annual Premium	Insurance Company or Agent
Local Government or Authority Authorization, Approval, and Permits[17]	$0 to $725	As incurred	As Arranged	Third Parties
Licenses, Certificates, Memberships, and Qualifications[18]	$0 to $725	As incurred	As Arranged	Third Parties
Fund Contributions – 3 months[19]	$6,000	As Arranged (EFT)	As Agreed (after open)	Us
Technology Fees – 3 months[20]	$3,000 to $4,000	As Arranged (EFT	As Agreed (after open)	Us
Additional Funds – 3 months[21]	$35,000 to $75,000	As incurred	As needed	Third Parties, including personnel
Total Estimated Initial Investment[22]	**$132,300 to $269,750**			

Explanatory Notes:

1. **Generally.** Except as otherwise set forth in this Item, all fees noted in this Item 7 are non-refundable. Other than the Initial Franchise Fee (which is due by bank check at the time a Franchise Agreement is executed), all fees due us under the Franchise Agreement will be collected at the time they are incurred through our EFT Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization in a form substantially similar to that attached as an exhibit to the Franchise Agreement contemporaneously with the execution of the Franchise Agreement that authorizes us to collect all fees by EFT.

   The total investment range disclosed in the Chart above is our estimate of the costs you will incur to open and commence operation of a Franchised Business either out of a home office or from a Retail Showroom and the equipment and inventory necessary to provide our products and services based upon the experience of our affiliates in operating similar businesses in Australia. Many of the purchases you make to set up the business are paid to third parties as noted in the far right hand column above.

2. **Initial Franchise Fee.** The Initial Franchise Fee, which is nonrefundable, is discussed in detail in Item 5. Additional territories are available and require approval of the franchisor. We do not finance the initial franchise fee or any other fees due under Franchise Agreement, or any other part of your investment in the business.

3. **Approved Vehicle.** You are required to lease or purchase a vehicle meeting our requirements for use in the Franchised Business (the "Approved Vehicle"). The estimated range here assumes that you will lease your Approved Vehicle and includes an initial deposit and the first three months of lease payments. Your actual costs for these vehicles will vary based upon the location of the franchised business, competition among local dealers, the time of year, and other factors. We recommend you consult a local vehicle sales or lease professional to determine your actual cost. These expenses are typically not refundable.

Unless we agree otherwise, your Approved Vehicle will need to be wrapped with a proprietary vehicle wrap that is designed to promote the Proprietary Marks and Franchised Business generally. The costs associated with acquiring this wrap are also included in this range.

4. **Real Property.** The low amount of this range assumes you will operate the Franchised Business from a home office and the high amount assumes you will operate from Retail Showroom, for which you will need to rent commercial space. The cost per square foot of commercial space varies considerably depending upon the location and market conditions. Lease costs vary based upon square footage, the cost per square foot, required maintenance costs and other lease variables. It is difficult to estimate real estate costs. We are not real estate professionals, and we encourage you to consult one locally. If you choose to operate a Retail Showroom, you will need approximately 1,000 square feet of commercial space with easy access to major highways. Our estimate accounts for the first three months of rent and a security deposit. These costs may not be refundable, but your security deposit may be refundable under certain circumstances (depending on whatever you and the lessor for the Retail Showroom agree upon).

If we award you multiple franchises over time (with each Franchised Business governed by its own form of Franchise Agreement), we may require that you obtain a Retail Showroom. We will not, however, require that you establish this Retail Showroom until after your initial Franchised Business is open and operating. Regardless, the Item 7 Chart above accounts for operations with and without a Retail Showroom.

5. **Leasehold Improvements.** The low amount of this range assumes you will operate the Franchised Business from a home office and the high amount assumes you will operate from a Retail Showroom, which will require a build-out and improvements. You will need to comply with all specifications required by us. Estimates should be used only as a guide. This range covers building and decorations, fixtures and fittings, and display units. Your actual costs may vary considerably depending on the size of the outlet, the cost of financing and other local conditions, including labor, material costs, architectural fees and local government requirements. You may also be required to retain licensed construction management services.

Local governments and agencies typically charge you fees for such things as construction permits and operating licenses. Costs may vary based on the requirements of local government agencies. These fees are typically not refundable.

6. **Equipment**. This range includes the cost of office equipment, sales materials for the sales staff, signs and fixtures used in the Franchised Business, including a printer/scanner/copier and other general office equipment. Your cost will vary based upon local government requirements and local wage rates. The amounts you pay for signage are typically not refundable.

7. **Computer System.** This is the estimated range to acquire the computer hardware and software that you must use in connection with your Franchised Business, subject to your obligation to also pay us the monthly Technology Fee described in Explanatory Note No. 20 below. Please see Item 11 of this

Disclosure Document for additional information on specific components of our currently-designated computer system under the heading "Computer Hardware and Software."

8. **Stationary and Office Supplies.** This includes business cards, leaflets, order pads, completion certificates, and various other standard business stationary.

9. **Professional Fees.** You may need the assistance of an attorney, accountant or other consultants to assist in establishing your franchised business. These fees may vary from location to location depending upon the prevailing local rate of attorneys', accountants' and consultants' fees. These fees are typically not refundable.

10. **Utilities and Internet.** You will need access to the Internet to conduct your Franchised Business, and we recommend that you have high speed Internet access via ADSL or VDSL or Fiber. Typical utilities, including electric, will also be required and have been accounted for in this estimate.

11. **Opening Inventory.** You must purchase product samples and display items. The amounts for these items will depend on the costs charged by the Approved Suppliers.

12. **Local Advertising.** While we do not require you to have a grand opening advertising campaign, your Local Advertising Requirement each month (beginning in the month you commence operations) is the greater of (i) 7% of the Gross Sales generated by the Franchised Business during the preceding calendar month, or (ii) $5,000. The estimate in the Chart above assumes you will expend the minimum of $5,000/month.

    This is just the minimum you must expend, but we encourage you to review your advertising and promotional plan with your business advisors and us to help determine whether or not you might want to expend more than the minimum in your first three (3) months of operation.

13. **Training and Expenses Associated with our Initial Training Program.** Our Initial Training Program is provided to you free of charge. You will pay for travel, food and lodging and employee salaries during training at our headquarters in Arizona or other training facility we designate located within the United States. We will provide, as we deem appropriate, up to one week of additional training on-site at the location of your Franchised Business (with no tuition cost to you). The total costs and expenses for you to attend our Initial Training Program will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. You may be required to attend, successfully complete and achieve certification and accreditation in certain training courses required by different local, state and federal legislation associated with different economic stimulus packages, all at your own expense.

14. **Third Party Supplier Training.** You and other personnel of your Franchised Business will likely be required to participate in and complete certain training, instruction or other presentations from one or more of our Approved Suppliers that is designed to give you a better grasp of the proprietary line of Approved Products and, possibly, related installation or sales techniques. Based on our experience in this industry in Australia, New Zealand and other jurisdictions, these parties may provide such training/assistance at the location of your Franchised Business. Our low estimate in this range assumes that will be the case, while the high estimate assumes that you may need to travel and/or other incur certain expenses in connection with this third-party supplier training.

15. **Training-Related Expenses for Installers/Contractors.** To be clear, our standard franchise offering assumes that either you or one of your personnel (or third-party contractors) will be a contractor that is properly certified and/or licensed to work with and install the Approved Products,

as well as otherwise perform the services necessary to complete projects for the customers of the Franchised Business. For this reason, the low estimate here assumes that you will not need to incur any expenses to train or get new certifications/licenses for your installer(s)/contractor(s). With that said, the high estimate here is designed to take into account the fact that you may need to incur costs and expenses in connection with obtaining some minor, additional training or certification for you or your personnel in order to effectively operate the Franchised Business.

The costs and investment associated with training a person with no contactor history is not contemplated in this Chart because such a person would not be suitable for the role of installer/contractor.

We do account for the payroll associated with engaging a contractor under the heading "Additional Funds" (again, based on our experience in the Australia and New Zealand). With that said, the costs associated with payroll and training for contractor personnel will likely vary greatly from one geographical area to the next, so please make sure you research and discuss these kinds of potential costs with your attorney and other business advisors that have specific knowledge of the area where you are looking to operate before you enter into any agreement with us.

16. **Insurance.** This estimate includes three months of vehicle, real estate and liability insurance. You must obtain, annually renew and submit proof to us of comprehensive general liability insurance including personal injury, operations contractual liability and products liability coverage in an amount not less than $2,000,000 per occurrence. You are also required to obtain and annually renew real estate insurance as prescribed by the landlord, workers compensation insurance and vehicle insurance. The cost of insurance varies by market and experience. We recommend you consult a local insurance professional to determine the exact cost.

17. **Local Government or Authority Authorization, Approval, and Permits.** You are required to obtain all licenses, permits, certificates or approvals necessary for you to be able to offer and provide the Approved Services and otherwise construct, open and operate your Franchised Business from the Approved Location and within your Designated Territory. Local, municipal, county, and state regulations will likely vary on what licenses and permits will be required based on where your Franchised Business is located.

18. **Licenses, Certificates, Memberships, and Qualifications.** You may be required to obtain licenses, certificates, memberships and qualifications for you to be able to offer and arrange for the installation of the Approved Products and otherwise develop, open and operate your Franchised Business. The costs associated with jurisdiction-specific certifications and approvals will likely vary greatly from one jurisdiction to the next, so please make sure you research and discuss these requirements with your attorney and other business advisors with specific knowledge of the area where you are looking to operate before you enter into any agreement with us.

19. **Fund Contributions – 3 months.** As disclosed more fully in Items 6 and 11 of this Disclosure Document, you must contribute to the Fund we will establish to promote the System, Proprietary Marks and our brand generally. Item 11 provides additional details on the Fund and our/your respective obligations and rights regarding such Fund.

20. **Technology Fees – 3 months.** This fee is paid to us as disclosed more fully in Item 6 of this Disclosure Document as consideration for certain technology that we provide to System franchisees, including without limitation, our proprietary franchise management system ("FMS") software.

21. **Additional Funds – 3 months.** We recommended that you have a minimum amount of working capital available to cover other direct costs and business expense you might incur during this period of operations. We cannot guarantee that you will not have additional expenses, but we believe this estimate is reasonable based on our experience to date and estimates we have received from third-party suppliers.

We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically not refundable. The required funds will vary by market, how closely you follow our methods and procedures; your management skills, experience and business acumen; the relative effectiveness of your staff; local economic conditions; competition in your market; the prevailing wage rate; your investment in marketing programs and the sales level you reach during the initial period. This estimate is for your business expenses only and does not account for sales revenue from operations used to pay these costs.

This range does not account for a salary draw or other compensation for you as the owner of the Franchised Business, but it does account for compensation for certain key roles (salesperson, installer or business administrator) in case you are fulfilling one (1) or more of those roles. This estimate does not include any of your personal living expenses, even if the Franchised Business is based out of your home, and does not include any fees associated with debt services.

Lastly, we want to reiterate that these figures are based upon the experience of our affiliates in operating similar businesses overseas prior to our launch in the United States of America. We have adjusted, in consultation with our advisors and research undertaken, certain of the estimates to account for contemplated operations in the United States, but the estimates you will incur may vary from the initial investment we have listed in Item 7. You should review these estimates on your own, preferably with a business advisor of your own choosing.

22. **Total.** The figures in this table are only estimates. In calculating these estimates, we relied on (a) the experience of our affiliates in franchising a substantially similar concept overseas, and (b) estimates we have received from certain third-party vendors and/or developed based on our research. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing. Unless otherwise noted above, all of the expenditures listed in the Item 7 Chart above are non-refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing when we evaluate your proposed location for the Franchised Business, during training, before you conduct your initial advertising, during on-site opening assistance, during periodic visits to your Franchised Business and through periodic bulletins and the Manual and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Suppliers

We have the right to require you to purchase or lease any items or services necessary to operate your Franchised Business, including but not limited to inventory, equipment, fixtures, marketing content/services, software and other technology, along with any branded or proprietary items we have now or develop in the future, from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the Manual or otherwise in writing, and we may update or modify this list as we deem appropriate.

Neither we nor EGL USA are currently the designated or approved supplier for any items that you must purchase in connection with your Franchised Business, other than the items provided to (a) you as part of your Technology Fee, and (b) the System via Fund expenditures.

As of the Issue Date of this Disclosure Document, we have Approved Suppliers for the following items that must be purchased in connection with your Franchised Business: (i) accounting software, training software, job management software, franchise management software; (ii) inventory items and samples to use in the promotion and sale of the Approved Products; and (iii) online and traditional marketing media, management systems and related services.

Additionally, through your Franchised Business, you may only offer the Approved Products that are distributed by and purchased from our Approved Suppliers.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business other than the Approved Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation, and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you must reimburse us for our reasonable testing costs, regardless of whether we subsequently approve the item or supplier.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Required Purchases and Right to Derive Revenue

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 75% to 95% of the costs of establishing your Franchised Business, and approximately 70% to 80% of the total cost of operating your Franchised Business after that time. We may designate sources, including affiliated entities, for additional goods and services in the future. If we designate sources for additional goods and services, we may receive revenue, rebates, commissions or other material consideration from franchisee purchases.

We also reserve the right to derive revenue from any of the purchases our System franchisees are required to make in connection with the Franchised Business. Neither we nor any of our affiliates have generated any revenue from our franchisees' purchase of any Required Items in the past fiscal year ending December 31, 2016.

Under some circumstances, we may derive income in the form of rebates or marketing allowances paid to us by certain approved vendors or distributors, which you must use. These rebates or marketing allowances may be used to purchase certain marketing, promotion and creative services for the benefit of our network of locations.

Neither we nor any of our affiliates have received any rebates from Approved Suppliers related to purchases made by our franchisees from these third-party suppliers. However, we reserve the right to obtain rebates in the future, which we expect will be based on a percentage of the total sales volume of purchases made by our franchisees from the third-party suppliers in the past fiscal year.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Advertising

You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use. We may revoke our approval of any previously-approved advertising materials upon notice to you. We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by any Cooperative, including the phrase "Franchises Available" and references to our telephone number and/or website.

We may require you to prepare an initial comprehensive local advertising plan and program prior to opening the Franchise Business that details your budget and anticipated expenditures for the Local Advertising Requirement for your first year of operations, which is subject to our approval. We may also require you to prepare annual local advertising plans.

Approved Location and Lease

If you are not operating from a Retail Showroom, then you must operate from a home office that affords you a dedicated working space and that otherwise meets any System standards set forth in the Manuals or otherwise provided by us in writing. If you are operating a Retail Showroom, you must obtain our approval of the proposed location for your Approved Location and the corresponding lease before you secure such location. You must also obtain our approval of any contract of sale or lease for the Approved Location before you execute the contract or lease, and we may condition our approval of any such lease on you and your landlord's execution of our prescribed form of Collateral Assignment of Lease and lease addendum. You must also ensure that you comply with all of our System standards and specifications related to the build-out, remodeling and/or construction of your Retail Showroom at the Approved Location at all times throughout the term of your Franchise Agreement. Our approval of any proposed site for your Approved Location does not constitute a guaranty or representation that your Franchised Business will achieve any particular level of success at that location.

You will be responsible for all fees, costs and expenses that are incurred in connection with obtaining an Approved Location. We do not currently have any Approved Supplier(s) for site selection services or assistance, but we may designate and require that you use such a supplier in the future.

Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Manuals or otherwise in writing, including: a general liability policy for the Franchised Business with minimum limits of $2,000,000 for personal injury, completed operations, contractual liability, and products liability ($2,000,000 per occurrence for personal injury and $2,000,000 per occurrence for property damage); fire, vandalism, and extended coverage insurance with primary and excess limits of not less than the full replacement value of the premises of the Franchised Business and its furniture, fixtures, and equipment; auto insurance for all vehicles used in connection with your Franchised Business, which will include liability coverage in the minimum amount of $1,000,000 per year, as well as commercial auto insurance, which will include collision and comprehensive coverage as well as liability coverage in the minimum amount of $250,000 per person and $500,000 per accident per year, or the minimum required by state regulations, whichever is greater; employer's liability, workers' compensation, and such other insurance as may be required by statute or rule of the state or locality; business interruption insurance in the amounts and with terms we deem acceptable; insurance for your designated manager, if applicable, in an amount at least equal to the sum of the Royalty Fee payable for the balance of the term; directors and officers insurance in the amounts and with terms we deem acceptable; and insurance as necessary to provide coverage under the indemnity provisions of the Franchise Agreement.

We may designate an Approved Supplier for insurance at some point in the future, and you must always furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

Computer Hardware and Software

You must lease or purchase the computer hardware and software necessary for the operation of your Franchised Business, along with the proprietary software we require. You must obtain the proprietary software from our Approved Suppliers.

You must pay the monthly and initial fees associated with the proprietary software, and you will be responsible for the costs of maintaining the computer hardware and proprietary software used in connection with your Franchised Business.

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved Suppliers. Your Computer System must have network access through a wireless provider. We may require you to purchase any of these items from one of our Approved Suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in the Franchise Agreement	Item Number in this Disclosure Document
a. Site selection and acquisition/lease	Sections 2(B), 2(C), 5(E), and 6(A) and Exhibit A	Items 11 and 12
b. Pre-opening purchases/leases	Sections 6(B), 6(G), 6(I) and 6(J)	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 6(C), 6(D) and 6(E)	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5(A), 5(B), 5(C) and 5(G)	Items 6, 7 and 11
e. Opening	Section 6(C)	Items 7 and 11
f. Fees	Section 4(A)	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Sections 5(D), 6 and 8	Items 8 and 16
h. Trademarks and proprietary information	Section 7	Items 13 and 14
i. Restrictions on products/services offered	Sections 6(F), 6(J), 6(K), 6(L) and 6(S)	Items 8 and 16
j. Warranty and customer service requirements	Section 6(T)	Item 16
k. Territorial development and sales quotas	Sections 2(C) and 6(Z)	Item 12
l. Ongoing product/service purchases	Sections 6(G), 6(H), 6(K), 6(I) and 6(J)	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B)(7) and 6(G)	Items 6 and 17
n. Insurance	Section 11	Items 6, 7 and 8
o. Advertising	Sections 5(F), 5(H) and 9	Items 6, 7 and 11
p. Indemnification	Sections 7(P) and 12(B)	Item 6
q. Owner's participation/management/staffing	Sections 6(V) and 6(Y)	Item 15

Obligation	Section in the Franchise Agreement	Item Number in this Disclosure Document
r. Records and reports	Sections 4(D) and 10	Item 11
s. Inspections and audits	Sections 5(L), 6(C), 6(K), 6(R), 6(U), 10(b) and 10(G)	Items 6, 11 and 13
t. Transfer	Section 13	Item 17
u. Renewal	Section 3(B)	Item 17
v. Post-termination obligations	Sections 14(B) and 16	Item 17
w. Non-competition covenants	Section 14	Item 17
x. Dispute resolution	Section 21	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease or other obligations.

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 Obligations

Prior to the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. If you operating your Franchised Business with a Retail Showroom (subject to our approval), we may (but are under no obligation to) provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Premises for each of your Franchised Business(es). We may (but are not obligated to) also review, and subsequently approve/reject, any proposed lease or purchase agreement for each location that you propose as a Premises for any Franchised Business. (Franchise Agreement, Sections 2(B) and 5(E));

2. We will define your Designated Territory for the Franchised Business and include its boundaries in a Data Sheet attached as an Exhibit to your Franchise Agreement. (Franchise Agreement, Section 2(C));

3. We will provide you with online access to, or otherwise loan you, one copy of our confidential and proprietary Manual. You must operate your Franchised Business in accordance with the Manual and all applicable laws and regulations. The Manual may be amended or modified by us to reflect changes in the System. You must keep the Manual confidential and current, and you may not copy any part of the Manual. You are required to keep a copy of the Manual at your Premises, and if there is a dispute relating to the contents of the Manual, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manual in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The Manual consists of many different manuals that cover a variety of specific

topics. The tables of contents from all of our subject-specific manuals are attached to this Disclosure Document as Exhibit B and, all together, total approximately 200 pages. (Franchise Agreement, Section 5(D));

4. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), either as part of the Manual or otherwise in writing. (Franchise Agreement, Section 5(D)).

5. We will review and approve your proposed layout and design of your Retail Showroom, as applicable, as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion. (Franchise Agreement, Section 6(C));

6. Provide you with guidance and/or directives in connection with how to expend the required funds associated with the promotion and advertisement of the grand opening of your Franchised Business. (Franchise Agreement, Section 5(F)); and

7. Provide you with our initial training program that covers material aspects of the operation of the franchised business (the "Initial Training Program"). (Franchise Agreement, Section 5(A)).

B. Initial Training Program and Other Training

Initial Training Program

We will provide you and up to two (2) other management personnel you designate with our proprietary initial training program (the "Initial Training Program") regarding our System methods and techniques related to the establishment and operation of an EATGATHERLOVE franchise.

a. Typically, our Initial Training Program is comprised of: (i) approximately five (5) days of training at our designated training facility located in Arizona or other training facility located within the United States that we designate; (ii) five (5) to seven (7) days of on-site assistance that our representative(s) will provide to you at or around the time you commence operations of your Franchised Business and start soliciting potential customers (the "On-Site Assistance"), which we will only provide after you have completed the training at our designated training site; and (iii) third-party training provided by our Approved Supplier for training related to the Approved Products, which will typically be conducted at the appropriate Approved Supplier's offices that may be located in Arizona, California or elsewhere in the United States.

b. We will provide this training to you and up to two (2) other management or key role personnel tuition-free, provided these attendees attend the first portion of the training at the same time, but you are solely responsible for all costs and expenses you and your designated attendees incur in connection with attending the Initial Training Program at our offices in Arizona or a training facility we designate in the United States.

c. You must complete our Initial Training Program to our satisfaction at least ten (10) days prior to commencing operation of your Franchised Business. If you are a partnership, corporation or limited liability company, at least one of the trainees must be your general partner, principal shareholder, or managing member as appropriate. If you have appointed a manager to run the day-to-day operations of the Franchised Business (the "Designated

Manager"), then this Designated Manager must also attend the Initial Training Program. (Franchise Agreement, Sections 5(A) and 6(N)).

d. Below please find a Training Chart providing the details of the Initial Training Program instruction that is provided at our corporate headquarters or other training location we designate. We expect that attendees will advance through the training program at different rates depending on a variety of factors including background and experience. The time frames set forth in the chart are an estimate of the time it will take to complete training and the amount of hours required may be less.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction to the Business	2	0	Our offices in Arizona (or other designated training facility in the USA)
Marketing	6	6	Our offices in Arizona (or other designated training facility in the USA)
Sales	6	18	Our offices in Arizona (or other designated training facility in the USA)
Business Administration	6	6	Our offices in Arizona and Approved Supplier offices with USA (or other designated training facility in the USA)
Kitchen Products	6	18	Our offices in Arizona and Approved Supplier offices within the USA (or other designated training facility in the USA)
TOTALS	26	48	

Joe Kurland will oversee the development and administration of the Initial Training Program and provide instruction to other training professionals. Mr. Kurland has approximately one (1) year of experience with us and our System, and he has over 25 years of experience in franchising and franchise development generally.

If circumstances require, a substitute trainer may provide training to you. We may periodically name additional trainers if the training schedule requires it. There are no limits on our right to assign any particular trainer provide training, but our trainers will typically have at least one (1) year of experience in connection with the subjects they are teaching. You and your designated trainees must complete the initial training program to our satisfaction no later than 14 days prior to the opening of the Franchised Business.

Training Conducted by Third-Party(ies) Prior to Opening; Contractors/Installers

Certain third-party certification training may be required for employees or individuals providing services in connection with your Franchised Business, and we have included the cost of such certification training in the Item 7. We may provide you with information on where and when you can obtain such training as it becomes available. You may be required to complete this certification training prior to opening for business as we deem necessary in our sole discretion.

As previously noted in Item 7 of this Disclosure Document, this franchise offering assumes that either: (i) you will only recruit and hire/engage contractors that are properly licensed and qualified to install the

Approved Products and otherwise perform the services necessary to complete the orders placed by customers of the Franchised Business; or (ii) you are actually a qualified and licensed contractor that can perform these services.

C. Typical Length of Time before Operation

You must open and commence operations within three (3) months of the date you execute your Franchise Agreement. From the time you execute your Franchise Agreement, we estimate that it will take between one (1) month and three (3) months to open the Franchised Business from your home office. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Retail Showroom (if applicable), to obtain financing, to obtain the permits and licenses for the construction and operation of the Franchised Business, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory or supplies needed prior to opening. If you do not open or operate your Franchised Business within this three (3) month timeframe, then we may terminate your Franchise Agreement if you do not commence operating the Franchised Business within 30 days of the date we provided you with notice of this default (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 6(B)).

Even if we permit you to open and maintain a Retail Showroom, we will typically require that you operate the Franchised Business from your home office location within the three (3) month period described above. We will then permit you to commence the process of locating and securing a Retail Showroom, provided you otherwise comply with your obligations hereunder and use your best efforts to operate the Franchised Business from the home office until such time that the Retail Showroom is approved and opened (Franchise Agreement, Section 6(B)).

D. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer, and require you and your management to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion ("Additional Training"). We will not require you and/or your management to attend more than: (i) two (2) sessions of additional/refresher training per year, which, combined will not exceed seven (7) total days and may take place at a location that we designate; and (ii) 24 hours of additional or refresher training via webinar, Skype or other medium that allows for remote attendance and completion (collectively, "Additional Training"). You will also be solely responsible for all expenses incurred while attending Additional Training. We may also provide remedial training to you if you are in default of your Franchise Agreement or if your required trainees fail to complete any Additional Training as described more fully in Item 6 of this Disclosure Document ("Remedial Training"), and we reserve the right to charge you our then-current Training Fee in connection with such Remedial Training. For both Additional Training and Remedial Training, you will be responsible for all expenses incurred in connection with you and your personnel attending. Additionally, if we provide any Additional Training or Remedial Training at your Approved Location, we may require you to pay us our then-current training fee for such training. (Franchise Agreement, Section 5(C));

2. We may provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, intranet communication, Skype or any other

communication channel, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(G)).

3. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(H));

4. We will list the contact information of the Franchised Business on our Website, provided you are not in material default of your Franchise Agreement. (Franchise Agreement, Section 5(I));

5. We will, as we deem appropriate, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Approved Vehicle(s) and, if applicable, your Retail Showroom to ensure that you are operating the Franchised Business in compliance with the terms of the Franchise Agreement, the Manual and the System standards and specifications. (Franchise Agreement, Section 5(L));

6. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K));

7. We may schedule and hold a franchise conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we may require you to attend for up to five (5) days each year. You will responsible for the costs and expenses you incur in connection with any franchise conference, but we will not charge any attendance/registration fee. (Franchise Agreement, Section 5(N)); and

8. We may establish a System-wide call center (the "Call Center") and, if we do so, you will be required to pay related subscription fees at Franchisor's then-current rate or the then-current rate charged by Franchisor's Approved Supplier for call center services. (Franchise Agreement, Section 5(O)).

E. Advertising and Promotion

1. Local Advertising Requirement. Your Local Advertising Requirement obligates you to expend an amount equal to the greater of (i) 7% of the Gross Sales generated by the Franchised Business during the preceding calendar month, or (ii) $5,000/month, on the local advertising and promotion of your Franchised Business within your Designated Territory. You will pay for your advertisements and promotions directly. We will approve the advertising, promotions and public relations plan and its creative execution on a periodic basis, as we deem necessary in our discretion. (Franchise Agreement, Section 9 (D)).

2. Marketing Fund and Marketing Fund Contributions. We have established a Marketing Fund (the "Fund") for the benefit of the System and brand generally. We currently require that you contribute to this Fund at the same time and same manner that we collect your Royalty Fee in an amount equal to the greater of (i) 3% of the Gross Sales of your Franchised Business, or (ii) $2,000/month (the "Fund Contribution"). Here are some additional disclosures regarding the Fund:

a. We may administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Franchise Agreement, Section 9(E)).

b. We will account for the Fund contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason.

c. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase “Franchises Available” on any and all advertising/marketing that is covered by the Fund.

d. We will prepare an unaudited, annual statement of the Fund collections and costs and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Our Affiliate-owned Stores will contribute to the Fund in the same manner that each franchised Store is required to contribute.

e. We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(E)). As we are a new franchise offering, we did not collect or expend any Fund Contributions in our past fiscal year and, as such, we cannot provide a breakdown of the same.

3. Cooperatives and Advertising Councils. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all franchises and other locations operating within a particular region. We have the right to collect and designate all or a portion of the local advertising for a cooperative advertising program, in each case, in such amounts as we determine in our sole discretion. We will determine the geographic territory and market areas for each cooperative advertising program. You

must participate in any cooperative advertising program established in your region if we require you. We may also establish a council to provide advice and various other advertising/marketing matters (an "Advertising Council"). (Franchise Agreement, Sections 9(F) and 9(H)).

3. Directory Listings. You should list the telephone number for the franchised business in various online directories under the categories and any other category we specify from time to time. You must place the listings together with other franchised businesses operating within the distribution area of the directories. (Franchise Agreement, Section 9(D)).

F. Computer System

You must purchase and use the hardware and software programs we require. You must purchase and use all of the hardware and software set forth below in connection with the operation of the franchised business. The use of your desktop computer must be exclusively designated for operation of the franchised business and may not be used or shared for any other purpose, including without limitation, personal or home use. (Franchise Agreement, Section 6(I)).

As of the Issue Date of this Disclosure Document, the required computer hardware includes a desktop computer for office-based used and an Apple iPad for use when out of the office. The minimum desktop computer standard is an Apple i5 2.9 GHz processor with 8GB RAM and 256GB of disk space, or its equivalent. The iPad must have at least 32GB of RAM and should be a model that was released in the past3 years, unless we agree otherwise in writing. In addition to the FMS software and other technology we may require you to use and supply as part of your Technology Fee, you must obtain a licensed copy of Microsoft Office for Small Businesses.

If you already own certain of the required computer hardware or software disclosed above and are able to designate it for exclusive use in connection with your Franchised Business, then you may use such hardware and software with our approval upon written request. Otherwise, the estimated cost of purchasing the computer hardware and software above is approximately $4,000. You should enter into ongoing maintenance and/or support agreements similar to Apple Care so that your devices continues to function effectively. From time to time, you may have to update or upgrade your computer hardware and/or software. We may introduce new requirements for computer systems and the cost would be allocated to our franchises as disclosed in Item 6. There are no limits on our rights to do so, except as disclosed in Item 16. We estimate that you will spend approximately $500 to $1,000 annually on maintenance and support contracts for your computer system, which includes any upgrades.

You shall, at your expense, lease or purchase the necessary equipment and software, and shall have merchant arrangements in place with Visa, MasterCard, American Express, and such other credit card or gift card issuers as we may designate from time to time.

We have the right to independently access all information you collect or compile at any time without first notifying you. We also reserve the right to require you to install a GPS tracking device we designate on the Approved Vehicle(s) so we can track the Approved Vehicle(s) during the normal business hours of the Franchised Business, in which case you will cover the costs associated with initial installation and the ongoing service fees associated with the GPS device(s). (Franchise Agreement, Sections 5(L) and 6(S)). We do not currently require our franchisees to obtain this equipment and, for this reason, such fees are not accounted for in Item 7 of the FDD.

We may establish and maintain a website portal or other intranet for use by you and other franchisees (the "Web Portal"), wherein we may post content that will automatically become part of, and constitute a supplement to, the Manual, all of which you must strictly comply with promptly after such content is posted or otherwise listed on the Web Portal. (Franchise Agreement, Sections 5(D)).

G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, landing pages, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Pinterest, Twitter, YouTube, Snapchat or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). (Franchise Agreement, Section 9(G)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "Website"), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. (Franchise Agreement, Section 9(G)).We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name www.amazingkitchenfacelifts.com, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

ITEM 12
TERRITORY

You will operate from one location located in your Designated Territory (either your home office or Retail Showroom) and you may not relocate the Franchised Business without our prior written consent, which we will not unreasonably withhold, provided: (i) you secure an alternate location for the Franchised Business within the Designated Territory (as defined below); and (ii) you reimburse us for the reasonable costs and expenses that we incur in connection with evaluating and approving the proposed relocation. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, we will not unreasonably withhold our written consent to relocate.

Franchise Agreement: Designated Territory

You will receive a territory containing a population of approximately 500,000 people (a "Designated Territory"). The number of people will be determined by reference to the most recent figures available from the United States Census Bureau at the time you execute the Franchise Agreement. Under certain circumstances, you may accept customers from outside your Designated Territory as long as these customers do not reside in the Designated Territory of another franchisee (unless that other franchisee consents). Your Designated Territory may contain more or less than 500,000 people depending on population density and other demographics of the region where your Designated Territory is awarded.

You must meet certain minimum productivity levels if you wish to maintain your Designated Territory (collectively, the "Minimum Productivity Levels"). Specifically, you must generate the following Minimum Productivity Levels over each calendar quarter of operations in each Designated Territory you are granted:

Time Period	**Minimum Productivity Level (Gross Sales in Designated Territory over Calendar Quarter at Issue)**
First Calendar Quarter (3 Months) of Operation	None
Following 4 Calendar Quarters of Operation	$90,000 per Quarter
Following 8 Calendar Quarters of Operation	$120,000 per Quarter
Each quarter, ongoing, following 12 Calendar Quarters of Operation	$180,000 per Quarter

In the event you fail to comply with the applicable Minimum Productivity Levels for a period of two (2) consecutive calendar quarters, we may send you a notice of default. If you are provided withand subsequently fail to cure that default within the calendar quarter wherein you receive notice from us of such non-compliance, then we may, in our sole discretion: (i) terminate your Franchise Agreement; or (ii) require you, your management and any key role personnel we designate to attend Remedial Training as part of your cure actions.

For so long as you are in compliance with the terms of your Franchise Agreement, your Designated Territory will be exclusive in that we will not establish, or license any third party the right to establish, any other Business operating under the Proprietary Marks and System in your Designated Territory.

We may establish alternate channels of distribution selling similar services and products, including e-commerce, Internet, mail order or catalogs. We are not required to pay you any compensation for soliciting or accepting orders inside your territory obtained through these alternative channels of distribution. Although at this time we have no plans to establish other franchises or company-owned or other channels of distribution selling or leasing similar products or services under a different trademark, there is nothing in the Franchise Agreement that prohibits us from doing so and we expressly reserve the right to do so. There are no geographic restrictions on soliciting or advertising for customers, except that you may not: (i) solicit or advertise within the Designated Territory of another franchisee without that franchisee's express consent and/or cooperation; (ii) solicit or advertise on the Internet without our consent; or (iii) service any customer that resides within the protected territory of another EGL business, unless you obtain the prior consent of the owner of that business.

Reservation of Rights

Your rights under the Franchise Agreement do not include: (i) any right to offer any Approved Product or Approved Service via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) any right to sell Approved Products via wholesale; (iv) any right to otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in this Agreement; (v) the right to sublicense the franchise business in any fashion; or (vi) the right to sell any portion of your Designated Territory independent of your entire Franchised Business to another person or franchisee without our written permission.

You expressly understand and agree that we and our affiliates shall have the right, in our sole discretion, to: (i) own and operate franchised businesses at any location(s) outside of the Designated Territory under the Proprietary Marks, or to license others the right to own and operate EGL businesses at any location(s) outside of the Designated Territory under the Proprietary Marks and System; (ii) the right to own and operate businesses under different marks at any location(s) inside or outside of your Designated Territory, or license to others the right to own and operate such businesses, under different marks at any location(s) inside or outside of Designated Territory; (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of any EGL products in wholesale and retail stores, via the Internet, and through mail order catalog, without regard to location; and (iv) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System to engage in any other activities not expressly prohibited in this Agreement. You do not have any of the foregoing rights under your Franchise Agreement, and we are not required to provide you any compensation in connection with conducting any of these activities.

<u>Additional Disclosures</u>

The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Businesses. Each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement. You must meet our then-current qualifications for new franchises, as set forth in our then-current Franchise Agreement, to qualify for additional businesses.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. Except as specifically disclosed in Item 1 of this Disclosure Document (with regards to the franchising of DREAM DOORS in other international jurisdictions), neither we nor either of our affiliates have established, or presently intend to establish, any other franchised or company-owned businesses that offer the Approved Products under a different trade name or trademark, but we reserve the right to do so in the future.

ITEM 13

TRADEMARKS

You will have the limited right to use the following Registered Mark that our affiliate Dream Trust has registered with the United States Patent and Trademark Office ("USPTO"), as well as any other Proprietary Marks we may now or in the future designate for use in connection with the System, in connection with your Franchised Business:

MARK	APPLICATION NO.	APPLICATION DATE	REGISTER
EatGatherLove	87/841808	March 20, 2018	Principal

We do not have a federal registration for our principal mark EATGATHERLOVE (and design). Therefore, this mark does not have many legal benefits and rights as a federally registered trademark. If our right to use this mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

As and when appropriate, we will work with Dream Trust to timely file all required declarations of use and other documents with the USPTO as necessary to maintain this registration as they become due.

We have entered into an agreement with our affiliate EGL USA, LP for the right to use, and license others to use, the Proprietary Marks in connection with the System and this franchise offered in this Disclosure Document within the State of California. At the same time, EGL USA, LP has entered into an agreement with Dream Trust for the right to use, and license others to use, the Proprietary Marks in connection with the System and the franchise system in the United States (the "Dream Trust TM Agreement"). The Dream Trust TM Agreement is perpetual in duration and, in the event either of the two (2) agreements described in this paragraph are terminated for any reason, the parties have agreed to work together to help ensure that you will retain the right to use the Proprietary Marks post-termination. Other than the agreements described in this paragraph, we are not aware of any other agreement that would limit or otherwise affect your right to use the Proprietary Marks in connection with the operation of your Franchised Business.

We grant you the right to operate an EGL franchise utilizing the Proprietary Marks, which may consist of trade names, trademarks, service marks, and logos currently used or that may hereafter be used in the operation of an EGL franchise. You must strictly comply with our standards, policies, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of the Franchise Agreement.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name. You may not modify the Proprietary Marks in any manner, including with words, designs or symbols, except those which we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise system, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates "Eat Gather Love" or any phrase that incorporates any of the terms "Eat," "Gather," and/or "Love," or that is similar to our then-current Proprietary Mark.

As of the effective date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any infringing use of our Proprietary Marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition, cancellation proceedings, or material litigation, involving the Proprietary Marks.

Other than the license agreement with Dream Trust discussed above, we are not a party to, or bound by, any agreement that significantly limits our rights to use or license others to use the Registered Mark or any of the other Proprietary Marks in any manner material to the franchise we offer.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Mark or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. While we are not required to defend you against a claim against your use of our Proprietary Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Proprietary Mark, in compliance with the Franchise Agreement and our written directives, so long as you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Proprietary Marks. We will not reimburse you for disputes where we challenge your use of a Proprietary Mark.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, you will be responsible for your tangible costs of compliance (for example, changing exterior and interior signage, advertisements and promotional material, etc.). We are not obligated to reimburse you for any loss of revenue attributable to the modified or discontinued mark or for any expenditure you incur to promote a modified or substitute mark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, except that you can use the proprietary information in our Manual (described in Item 11.A.3 of this disclosure document). Although we have not filed an application for a copyright registration for our Manual, we claim a copyright and the information is proprietary. We consider our Manual to be confidential and require you to treat it as confidential. You must tell us when you learn about any unauthorized use of our Manual. We have not filed a patent on our proprietary products.

In connection with the operation of the Franchised Business, you will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by the Franchise Agreement, will become proprietary to us. You and all persons signing the Franchise Agreement agree to keep confidential any of our trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. You agree that you will have no proprietary interest in any work product developed or used by you that arises out of the operation of the Franchised Business. You will, from time to time as may be requested by us, do all things that may be necessary to establish or document our ownership of any such work product, including without limitation, the execution of assignments.

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

We require that you personally participate in the actual operation of your Franchised Business. You, if an individual, and certain persons affiliated with you, are required to attend, and successfully complete to our satisfaction, our training programs (described more fully in Item 11 above), and certain other training programs that we designate provided by third parties. All training must be completed prior to opening the Franchised Business. Under certain conditions and with our prior approval, we may permit you to operate the business with a designated manager employed by you who has completed our entire training curriculum whether conducted by us or approved suppliers ("Designated Manager"). If you operate a Retail Showroom, then you or your Designated Manager must be present at the location at all times unless we otherwise agree in writing. If you use a Designated Manager, he or she cannot have an interest or business relationship with any of our business competitors. The Designated Manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14, and to comply with the covenant not to compete described in Item 17. You may be required to obtain insurance to cover the death or incapacity of your Designated Manager. If you engage a Designated Manager and you later replace that individual, your replacement manager must complete our initial training program at your expense prior to assuming any management responsibility with respect to your Franchised Business.

Each person owning an interest in your company must sign a personal guaranty (attached as Schedule "B" to the form of Franchise Agreement attached to this Disclosure Document) assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct your Franchised Business in accordance with our Manual and policies in order to protect our reputation and goodwill and to maintain our high standards of operation under our Proprietary Marks. You must use the Retail Showroom solely for the operation of the Franchised Business and must keep the Retail Showroom open and in normal operation for the hours and days as we may specify in the Manual or as we may otherwise approve in writing.

You are prohibited from offering or selling any products or services not authorized in writing by us. Our definition of products and services offered by the franchise include any and all products and/or their installation in a residential home anywhere including, but not limited to: doors, countertops and other interior home products and furnishings designed for the kitchen, bathroom and bedroom. The covenant against competition in your Franchise Agreement (discussed in Item 17) does not permit you to have ownership or interest in a competing business, including any operation, formal or otherwise, of a business that offers any of the products or services provided by EGL franchised businesses. Any and all services you provide to your customers must be provided in accordance with the standards established by us.

You will not be permitted to provide the Approved Products or Services, or otherwise service any client via the Franchised Business, outside of the Designated Territory without our prior written consent. You are not permitted to distribute EGL products on a non-retail or wholesale basis without our prior written consent.

We reserve the right to expand the products offered by you at your Franchised Business in part through limited trials. There is no limit on our right to request expansion of the goods and products offered and you will be required to offer new products and services that we introduce from time to time. We may also discontinue any products or services that we previously approved for your Franchised Business to offer and sell upon providing you with written notice, and you must cease offering any product or service we discontinue immediately upon receiving notice from us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Term of franchise	Section 3(A)	The initial term is for 10 years commencing on the date we sign your Franchise Agreement.
b. Renewal or extension of the term	Section 3(B)	You have the right to be considered for two (2) additional (and consecutive) 10-year terms.
c. Requirements for franchisee to renew or extend	Section 3(B)	In order to renew (which means renewing your franchise relationship with us), you must: (i) not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us; (ii) execute our then-current franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); (iii) pay us a renewal fee of $5,000; (iv) complete our then-current refresher training course; (v) execute a general release; (vi) have participated in and supported the operational procedures recommended or provided by us; and (vii) re-image, renovate, refurbish and modernize the Approved Vehicles and Franchised Business if applicable.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g. “Cause” defined – curative defaults	Section 15(B)	Your Franchise Agreement may be terminated based on the following defaults after the applicable cure periods: (i) if you fail to cure any of the following defaults after 10 days’ notice: (a) fail to offer only the Approved Products; (b) any purchase of any non-approved products or service; (c) failure to purchase any item from the appropriate Approved Supplier(s), and (d) fail to cure any monetary default; (ii) you fail to provide us with access to the Computer System and fail to remedy this default within 5 days; (iii) you fail, after 15 days’ notice, to comply with any applicable law; or (iv) you fail, after 30 days’ notice, to obtain any applicable license, certificate, permits, or approval; or (v) you fail to meet the Minimum Productivity Levels for 2 consecutive

Provision	Section in Franchise Agreement	Summary
	Section 15(C)	calendar quarters, and then fail to meet the applicable Minimum Productivity Level in the quarter in which you receive a default notice from us. Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h. "Cause" defined – non-curative defaults	Section 15(A) Section 15(B)	Your Franchise Agreement may be terminated automatically and without notice from us if: (i) you become insolvent or make a general assignment for the benefit of creditors; (ii) a bankruptcy petition if filed by or against you and not dismissed within 30 days; (iii) a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; (iv) a receiver or custodian of your assets of property is appointed; (v) a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); and (vi) you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement. Your Franchise Agreement may be terminated with notice but without an opportunity to cure: (i) if you commit any fraud or misrepresentation in the establishment or operation of the Franchised Business; (ii) if you fail to attend and complete the Initial Training Program; (iii) if you receive 3 or more notices to cure the same or similar defaults within any 12-month period; (iv) you violate the in-term restrictive covenant; (v) you misuse the Property Marks or Confidential Information; (vi) you misuse any Proprietary Software; (vii) you default under any other agreement with us, our affiliate(s) or any Approved Supplier and such default is not cured according to such agreement; (viii) you default under your lease for a Retail Showroom; (ix) you fail to open the Franchised Business in the time required; (x) you abandon the Franchised Business; (xi) you are convicted of a felony or other crime that adversely affects the System; (xii) you take for your own personal use the assets or property of the Franchised Business; (xiii) there is insufficient working capital in your primary bank account to meet all outstanding short term liabilities; (xiv) you commit repeated violations of any applicable laws; (xv) you fail to meet the applicable Minimum Productivity Levels for 2 or more consecutive Calendar Quarters; or (xvi) you on 3 or more occasions, fail to comply with the standards and

Provision	Section in Franchise Agreement	Summary
		specifications set forth in the Manual during any 18 month period, whether or not these failures were timely cured.
i. Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: (i) cease ownership and operation of the Franchised Business and cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; (ii) return of the Manual or any other Confidential Information to us; (iii) assign to us all approved services contracts, telephone/fax numbers and domain names; (iv) cease the use of the Proprietary Marks and trade dress; (v) comply with all post-term restrictive covenants; (vi) pay us and our Approved Suppliers any amounts owed; (vii) provide us with written confirmation of compliance with these obligations within 30 days; and (vii) cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee.
j. Assignment of contract by Franchisor	Section 13(G)	No restriction on our right to assign.
k. "Transfer" by Franchisor - defined	Section 13(A) and Section 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you (as the Franchisee).
l. Franchisor's approval of transfer by Franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonable withhold our approval if you meet our conditions.

Provision	Section in Franchise Agreement	Summary
m. Conditions for Franchisor's approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: (i) all of your accrued monetary obligations under the Franchise Agreement have been satisfied; (ii) you cure all existing defaults under the Franchise Agreement; (iii) you and your principals must execute a general release; (iv) you or the transferee provides us with a copy of the executed purchase agreement; (v) the transferee must meet our then-current qualifications and criteria for a new franchisee; (vi) the transferee executes our then-current franchise agreement; (vii) you or the transferee pays us a transfer fee equal to the greater of (a) $25,000 or (b) 10% of the purchase price for the Franchised Business; (viii) the transferee satisfactorily completes our Initial Training Program; (ix) you must comply with all post-termination provisions of the Franchise Agreement; (x) the transferee must obtain all permits and licenses required for the continued operation of the Franchised Business; (xi) all applicable lessors consent to the proposed transfer; and (xii) the transfer is made in compliance with all applicable laws.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 13(D)	If (a) you propose to transfer any of your interest in the Franchise Agreement or Franchised Business or any interest in your lease for the Premises, or (b) your owners propose to transfer any interest in you (if you are an entity), except in certain circumstances (death/disability or transfer from individual franchisee to business entity), then you shall first offer to sell such interest to us on the same terms and conditions as offered by such third party. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's option to purchase Franchisee's business	Section 16(H)	Upon expiration or termination of the Franchise Agreement, we have the option to purchase your assets at net depreciated book value. Subject to applicable state law, which may include Section 20022 of the California Franchise Relations Act.
p. Franchisee's death or disability	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and signs our then-current franchise agreement for the remainder of your term. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a

Provision	Section in Franchise Agreement	Summary
		reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q. Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Franchise Agreement); (ii) employ or seek to employ any of employees or us, our affiliates or any other System franchisee or induce such persons to leave their employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of any Competing Business. For purposes of your Franchise Agreement, a Competing Business does not include: (i) any business you operated under a Franchise Agreement with us; (ii) any business operated by a publicly-traded entity in which you own less than two percent (2%) legal or beneficial interest; or (iii) the employment disclosed below in this Item 17(r). For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business: (i) within your Designated Territory; (ii) within a 30-mile radius of your Designated Territory; (iii) within a 30-mile radius of any franchised business that is open and operating as of the date your Franchise Agreement expires and/or is terminated; (iv) within a 30-mile radius of any other designated territory that has been granted by us or our affiliates in connection with any franchised business as of the date your Franchise Agreement expires and/or is terminated, regardless of

Provision	Section in Franchise Agreement	Summary
	Section 14(B)(3)	whether a franchised business is open and operating in that designated territory. During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) soliciting any employees of us, our affiliates or any other System franchisee to discontinue their employment. Nothing in Section 14(B)(1) or Section 14(B)(2) shall preclude or otherwise affect the right to seek and secure employment with a national chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "Competing Business" for purposes of those post-term non-competition provisions, so long as you are in compliance with all other terms of your Franchise Agreement. The provisions of this Item 17(r) and Section 14(B) of the Franchise Agreement are subject to applicable law, which may include Section 16600 of the California Business and Professions Code.
s. Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manual as we deem appropriate in our discretion from time to time.
t. Integration/merger clause	Sections 18(E) and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 21(B) Section 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish

Provision	Section in Franchise Agreement	Summary
		to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v. Choice of forum	Sections 21(D) and 21(E)	Subject to the mediation and injunctive relief provisions of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current headquarters or, if appropriate, the United States District Court for the District of Arizona (subject to state law).
w. Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the State of Arizona, without reference to this state's conflict of laws principles (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any other representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 Dan Bish at 5210 E Pima St, Tucson, AZ 85712, or (833) 253-8721, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

A. Franchisor (Us)

Table No. 1
System-wide Outlet Summary for Years 2015 through 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	0	0	0
	2016	0	0	0
	2017	0	0	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2015 through 2017

State	Year	Number of Transfers
Total	2015	0
	2016	0
	2017	0

Table No. 3
Status of Franchised Outlets for Years 2015 through 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Totals	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned and Affiliate Owned Outlets for Years 2015 through 2017

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
Totals	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Table No. 5
Projected Openings as of the Issue Date

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
California	0	1	0
Totals	**0**	**1**	**0**

As we are a new franchise, we do not have any (a) current franchisees as of the Issue Date of this Disclosure Document, or (b) any former franchisees that left the System or that have failed to communicate with us over the 10 weeks preceding the Issue Date of this Disclosure Document. In the future, we will list such current franchisees and former franchisees in Exhibits G and H of this Disclosure Document, respectively.

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

B. EGL USA

As of the Issue Date of this Disclosure Document, EGL USA has not granted master franchise rights any master franchisee or unit franchise rights to a third party within the United States.

As such, there are no relevant Item 20 Charts to disclose in Item 20 of this Disclosure Document. Any franchises granted by EGL USA in the future will be disclosed in this Disclosure Document, if and as appropriate under applicable law, in this Item and Exhibits G and H of the Disclosure Document.

EGL USA will not offer, sell or otherwise award Franchised Businesses within the State of California, unless we agree otherwise in writing. EGL USA does not intend or expect to offer, sell or otherwise award any similar franchises in the State of California under a different mark.

We do not currently have any trademark specific organizations associated with the franchise system being offered that we have created, sponsored or endorsed.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit C to this disclosure document are the audited financials for both us and EGL USA for our past fiscal years ending December 31, 2017, as well as both our and EGL USA's audited opening day balance sheet as of August 8, 2017. Our fiscal year end is December 31. Since we have not yet been franchising for a period of three years, we cannot provide any additional financials at this time.

ITEM 22
CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit A:	Franchise Agreement (and Exhibits attached to Franchise Agreement)
Exhibit F:	State-Specific Addenda
Exhibit J:	Receipts

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit J, in duplicate, is a Receipt to be signed by the prospective Franchisee receiving this Disclosure Document. You must sign each Receipt and return one copy to us. If you are missing these Receipts, please contact us at this address or telephone number: Derek Lilly, c/o EGL California, LP at 5210 E Pima St, Tucson, AZ 85712, or (833) 253-8721.

EXHIBIT A
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

EGL CALIFORNIA, LP

FRANCHISE AGREEMENT

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EGL CALIFORNIA, LP
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on this ___day of _________, 201__ ("Effective Date,") by and between: (i) EGL California, LP, a California limited partnership with its principal business address at 5210 East Pima Street, Tucson, Arizona 85712 (the "Franchisor"); and (ii) ____________________________________, a (resident of) (corporation organized in) (limited liability company organized in) ________________________ with a business address at _________________________________ (the "Franchisee").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development and ongoing operation of a business (each, a "Business") that specializes in renovating kitchens by: (i) offering a line of approved products, including without limitation, door fronts, drawer fronts, bench tops, doors, countertops, cabinets and related installation hardware, which are supplied by third parties that have a relationship with Franchisor (collectively, the "Approved Products"); and (ii) generating and facilitating customer projects via marketing, sales and project management services, as well as the actual installation and other kitchen renovation services performed on behalf of customers (each, a "Client") that may be conducted by third-party contractors, employees or other personnel that owns or is engaged by the Business (the "Approved Services").

B. Certain Businesses have a bricks-and-mortar showroom wherein the Approved Products are displayed in a manner that meets System standards and specifications (each, a "Retail Showroom"), but a Business can be operated via a vehicle Franchisor designates or approves (the "Approved Vehicle") and home office under this Agreement without any Retail Showroom requirement.

C. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Business; any existing and new relationships that Franchisor develops with the suppliers of any Approved Products; software and other technology that Franchisor designates for use in connection with a Business and System, including any sales and promotional management systems; the layout and design for all promotional samples or displays of any Approved Product(s); standards and specifications for an Approved Vehicle, along with any branding/wrap associated therewith; if applicable, the layout and design of a Retail Showroom, as well as any site selection guidelines or standards associated with the retail showroom; standards and specifications for any home office furniture, fixtures and equipment, including computer hardware and any proprietary/customized software ("Proprietary Software"), that must be used in connection with a Business; proprietary training programs, courses and training materials; Franchisor's confidential and proprietary operations manual and, at Franchisor's option, other instructional manuals that have been reduced to writing (collectively, the "Manuals"); the standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Business; and the know-how associated with Business operations.

D. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

E. The System and Businesses are identified by the mark EATGATHERLOVE and/or certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

F. Franchisor is in the business of granting qualified parties a franchise for the right to independently own and operate a single Business utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

G. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

H. Franchisee desires to acquire a franchise for the right to operate a single Business (the "Franchised Business"), and has submitted an application to obtain such a franchise from Franchisor.

I. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, member, manager, employee, or agent, has not made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document.

B. The business venture contemplated by this Agreement involves business risks. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.

D. Franchisee has received, read, and does understand this Agreement and any attachments.

E. Franchisee understands and agrees that the home renovation and improvement industry, as well as the market for the provision of the Approved Services, are highly competitive with constantly changing market conditions (some of which may be seasonal in nature depending on where the Designated Territory described in Section 2(C) below is located), including the risks associated with local, state and federal regulatory agencies.

F. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.

G. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

H. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

J. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

K. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

L. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor (the "FDD"). Franchisee further acknowledges that the disclosures in the FDD may be based, in part, on the experience of Franchisor's principals and affiliates in other jurisdictions such as Australia and New Zealand.

M. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

N. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals that are necessary to operate the Franchised Business within the Designated Territory (defined below),),), including, without limitation, any licensing requirements for qualifying individuals such as a responsible managing employee (RME) and/or a responsible managing officers (RMO) where the Franchised Business is operating; and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement. Franchisee specifically agrees and acknowledges that it will determine whether or not any type of contractor license or similar license/certification is needed to conduct the Franchised Business and, if such a license is required, Franchisee will obtain such license/certification prior to operating the Franchised Business in any manner. Franchisor shall have no liability in the event the development or operation of the Franchised Business violates any law, ordinance, or regulation.

O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of an Franchised Business; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

P. The parties agree and acknowledge that all provisions and information set forth in the "Background" portion of this Agreement above, including all definitions and representations set forth therein, are hereby incorporated by reference as if fully set forth herein,.

Q. Franchisee agrees and acknowledges as follows:

1. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

2. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractor, nor vice versa.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Subject to the terms of this Agreement, Franchisor grants Franchisee a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single Franchised Business.

B. **Premises; Approved Vehicle.** Franchisee must operate the Business from a home office and an Approved Vehicle only, unless Franchisor permits Franchisee to open and maintain a Retail Showroom from which to display the Approved Products and otherwise operate the Franchised Business. Regardless, Franchisee must have an Approved Vehicle that meets System standards and specifications to make sales calls and conduct consultations within the Designated Territory granted under Section 2(C) below. In the event Franchisee wishes to operate from a Retail Showroom, then Franchisee must comply with the site approval process described in Section 5(E) below. For purposes of this Agreement, Franchisee's home office and any Retail Showroom will be referred to collectively as the "Premises" of the Franchised Business. The Premises of the Franchised Business, once known and approved by Franchisor, will be set forth in Section 1 of the "Data Sheet" attached as Exhibit A to this Agreement (the "Data Sheet").

C. **Designated Territory.** Franchisee will have the right to open and operate the Franchised Business, as well as provide the Approved Products and Approved Services (collectively, the "Approved Products and Services"), within the designated territory described in Section 2 of the Data Sheet (the "Designated Territory"). Franchisee will be required to maintain its home office and/or any Retail Showroom that Franchisor approves within the Designated Territory, unless Franchisor agrees that Franchisee may place its home office elsewhere. For so long as Franchisee is in compliance with this Agreement, Franchisor will not open or operate, or license a third party the right to open or operate, any other Franchised Business that utilizes the System and Proprietary Marks within the Designated Territory (subject to the terms of Section 2(E) below.

1. Notwithstanding anything in this Agreement to the contrary, there are no geographical restrictions on soliciting or advertising for customers, except that Franchisee is not permitted to: (a) solicit or advertise within a protected territory of another franchisee without that franchisee's express consent and/or cooperation; (b) solicit or advertise on the Internet without Franchisor's prior written consent, and as otherwise set forth in Section 9(F) of this Agreement; or (c) service any Client that resides within a protected territory of another franchise or affiliate owned Franchised Business, unless Franchisee obtains the prior written consent of the owner of that Franchised Business.

2. Franchisee will not be permitted to provide the Approved Products or Services, or otherwise service any Client via the Franchised Business, outside of the Designated Territory without Franchisor's prior written consent. Franchisee is not permitted to distribute EATGATHERLOVE products on a non-retail or wholesale basis without Franchisor's prior written consent.

D. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to: (i) open any additional Franchised Businesses; or (ii) sub-license or sub-franchise any of the rights granted hereunder. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses outside the Designated Territory, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

E. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate, as well as license others the right to own and operate, Businesses at any location(s) outside of the Designated Territory; (ii) own and operate, or license others the right to own and operate, non-competing businesses under marks that are different than the Proprietary Marks at any location(s) inside or outside of the Designated Territory; (iii) offer, promote and sell the Approved Products in any alternative channel of distribution regardless of location, including via e-commerce, the Internet, direct mail catalogs and wholesale; (iv) acquire or merge with, or be acquired by or merged with, any third-party business (including a competitor or related business) and subsequently open and operate third-party business locations within or outside the Designated Territory; and (v) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement.

F. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement will be for a period of ten (10) years (the "Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to two (2) additional (and consecutive) terms of ten (10) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement (including increasing any flat recurring fees to account for inflation in accordance with the Consumer Price Index or "CPI" from date of original agreement terms), within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a fee of $5,000 to help defray the costs and expenses, including legal fees, incurred by Franchisor in connection with renewing the franchise.

4. At Franchisor's option, Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training, but will not be required to pay any type of tuition or training fee in connection with this training.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Approved Vehicles and, if applicable, any Retail Showroom within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee amounting to Fifty Thousand Dollars ($50,000) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment. The Initial Franchise Fee is paid as consideration for the franchise and Designated Territory granted hereunder and is not tied to any pre-opening obligations of Franchisor.

2. *Royalty Fee.* On or before the 10th of each month following the Ramp Up Period (as defined below), Franchisee will pay Franchisor a monthly royalty fee of the greater of: 6% of the Gross Sales generated by the Franchised Business during the preceding calendar month of operations, or (ii) $2,000 on or before the 10th of each month (collectively, the "Royalty Fee"). The Royalty Fee is deemed fully earned and nonrefundable upon payment. Franchisee shall not be required to pay a Royalty Fee during the first three (3) months that the Franchised Business is open and operation and/or required to be open and operating under this Agreement (the "Ramp Up Period").

3. *Technology Fee.* Commencing the first full calendar month following the opening of the Franchised Business, Franchisee will pay an on-going technology fee to pay for certain aspects of Franchisee's computer system,, software, and any other technology used in the operation of the Franchised Business amounting to the greater of: (i) 2% of the Gross Sales generated by the Franchised Business during the preceding calendar month of operations; or (ii) $1,000 per month (the "Technology Fee"). Franchisee will pay the Technology Fee in the same manner as the Royalty Fee, or as otherwise set forth in writing by Franchisor. Franchisor

may designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom is made, at any time upon providing reasonable notice to Franchisee.

4. *Marketing Fund Contribution.* If established by Franchisor, Franchisee will be required to contribute to a System-wide brand marketing fund (the "Fund") that Franchisor has established to promote the brand, Proprietary Marks and System, with such contribution amounting to the greater of: (i) 3% of the Gross Sales generated by the Franchised Business during the preceding calendar month of operations, or (ii) $2,000 per month (the "Fund Contribution"). Franchisee will be required to pay the Marketing Fund Contribution once Franchisee commences operations of the Franchised Business, and in the same manner as the Royalty Fee or as or as otherwise set forth in writing by Franchisor.

5. *Other Amounts.* The other amounts detailed in this Agreement that Franchisee will be required to expend in connection with the Franchised Business, including: (i) expenditures necessary to comply with the local advertising and other advertising/marketing requirements set forth herein; (ii) any items or services that must be purchased on an ongoing basis from one or more of Franchisor's approved suppliers (which may include Franchisor or its affiliate); (iii) training/tuition fees to provide certain types of training or on-site assistance to Franchisee and/or its designated trainees; and (iv) any evaluation costs (to use non-approved products or non-approved supplier) or other fees/payments that are due to Franchisor or its approved suppliers hereunder.

B. **Definition of Gross Sales**. As used in this Agreement, "Gross Sales" include all revenue from the sale of all Approved Products and performance of Approved Services from or through the Franchised Business, whether for cash, credit, check, barter, and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business; provided, however, that "Gross Sales" from Clients will not include monies that are collected and submitted by Franchisee for the transmittal to the appropriate taxing authority. Gross Sales also include: (i) rebates, allowances, gifts, or other payments from suppliers; and (ii) income assumed to have been lost by Franchisee by the interruption of their business for any reason and being the basis upon which an insurer has paid business interruption or similar insurance. In computing the Gross Sales, the Franchisee shall be permitted to deduct the amount of cash refunds to, and coupons used by Clients at or prior to the time the Client has paid the full balance owed to Franchisee, provided such amounts have been included in sales.

C. **Method of Payment; Bank Accounts**.

1. *Method of Payment.* With the exception of the Initial Franchise Fee (which must be paid by bank check or wire transfer), Franchisee shall, upon Franchisor request, pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Upon Franchisor's written request, Franchisee must make all such payments described in this Section by bank or certified check.

2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

D. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access any proprietary software program and the computer system that Franchisee is required to use in connection with the Franchised Business or will be required to use in the future (the "Computer System"), via the Internet or other electronic means, in order to obtain any financial and/or Client information that is related to the operation of the Franchised Business, including without limitation, Gross Sales and Client contact and property information. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

E. **Monthly Operational Reporting; Right to Modify Payment Interval**.

1. Franchisee shall provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a Gross Sales report no later than the 10th of each month detailing the (a) Gross Sales generated by the Franchised Business in the preceding calendar month, and (b) the advertising expenditures that Franchisee incurred in the preceding calendar month (the "Gross Sales Report"), which Franchisee must submit to Franchisor unless Franchisor is able to access such a report via any proprietary franchise management system or other software that Franchisee is required to use in connection with the Computer System.

2. Franchisee must also ensure that it properly documents and records all Clients, Client properties and project/order information in the franchise management system and/or other proprietary software that Franchisor designates, as and when this information becomes available to Franchisee.

3. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a weekly rather than monthly basis).

In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

4. Franchisee hereby grants Franchisor permission to report and distribute Franchisee's gross sales, gross sales mix, cost of material and labor and other certain expenses to other existing franchisees of Franchisor with such additional information as Franchisor may deem appropriate, including the identification of Franchisee, the location of Franchisee's Designated Territory, and such other information as may make the gross sales/gross sales mix information a useful business aid to Franchisee and other franchisees of Franchisor. Franchisee will save and hold harmless Franchisor against and from any and all claims, liabilities, or suits resulting from or in connection with any acts or omission of Franchisor in the aforementioned reporting of sales.

F. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due or a payment is dishonored or returned, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of the highest amount permitted by law in the state where the Franchised Business is located calculated on a daily basis but in no event more than the maximum rate permitted by applicable law, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest will be in addition to any and all other remedies Franchisor may have. Upon Franchisor's demand, Franchisee agrees to pay a Fifty Dollars ($50.00) late payment fee for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned regardless of whether Franchisor takes any additional action in relation to such default.

G. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. Franchisee shall pay all taxes, charges, or assessments to the taxing authorities when due, in addition to the amounts due to Franchisor, including, but not limited to, all required lodging taxes.

5. DUTIES OF FRANCHISOR

A. **Initial Training Program**. Franchisor shall offer and make available an initial training program (the "Initial Training Program") for Franchisee and up to two (2) additional management personnel designated by Franchisee, provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, at least one of the other attendees must be Franchisee's proposed designated manager that Franchisee wishes to be responsible for the day to day management of the Franchised Business, subject to Franchisor's prior written approval (the "Designated Manager").

1. The Initial Training Program will consist of training that will take place at Franchisor's headquarters or other designated training facility within the United States,,, and focus on the training and assistance in connection with the System, the Approved Products and Services, development and management of a Franchised Business, sales and business development, Client service skills, and administration systems and procedures.

2. Franchisee must complete the Initial Training Program at least ten (10) days prior to the opening of the Franchised Business. Franchisor will provide the Initial Training Program subject to the schedules and availability of Franchisor's personnel.

3. Franchisee agrees and acknowledges that it will be responsible for all costs and expenses associated with attending and completing the Initial Training Program including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages.

4. The cost of the Initial Training Program for up to three attendees is covered by the payment of the Initial Franchise Fee. Franchisor will provide the Initial Training Program to additional trainees at its then-current initial training fee (subject to the availability of Franchisor's staff).

5. *Third Party Supplier Training*. Franchisee and other personnel of the Franchised Business may be required to participate and complete certain training, instruction or other presentations from one or more Approved Supplier as designated by Franchisor. Franchisee agrees and acknowledges that it will be responsible for all costs and expenses associated with attending and completing any third party supplier training, including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages.

6. *Training for Installers/Contractors*. The parties agree and acknowledge that Franchisor's standard franchise offering assumes that either Franchisee or Franchisee's personnel (or third-party contractors) is a contractor that is properly certified and/or licensed to work with and install the Approved Products, as well as otherwise perform the services necessary to complete projects for the customers of the Franchised Business. Franchisee acknowledges and agrees that, if and to the extent required, Franchisee may incur additional costs and expenses in connection with obtaining some minor, additional training or certification for Franchisee or Franchisee's personnel in order to effectively operate the Franchised Business.

B. **Replacement Personnel Training**. Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any costs and expenses incurred).

C. **Additional and Refresher Training**.

1. *Required Additional Training.* Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses no more frequently than: (i) two (2) sessions of additional/refresher training per year, which, combined will not exceed seven (7) total days and may take place at a location that Franchisor designates; and (ii) twenty-four (24) hours of additional or refresher training via webinar, Skype, or other medium that allows for remote attendance and completion ("Additional Training"). Franchisor will not require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section, but Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its

designated personnel attending such training, which may take place at Franchisor's headquarters or other training facility in the United States that Franchisor designates.

2. *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested Additional Training, as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide Additional Training under this Section as it deems appropriate in its discretion.

3. *Remedial Training.* Franchisor may require Franchisee to attend remedial training that Franchisor reasonably determines Franchisee and appropriate personnel must undertake in response to (a) the failure of Franchisee or any other required personnel to sufficiently complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5(C)(1) above, or (b) Franchisee's failure to operate the Franchised Business in accordance with the terms of the Franchise Agreement after Franchisor has provided Franchisee with written notice of such failure (each, an instance of "Remedial Training"). Franchisor reserves the right to charge its then-current training fee for any Remedial Training that is provided to Franchisee and/or its personnel. Franchisee will be responsible for all expenses incurred in connection with Franchisee's and Franchisee's personnel attending the Remedial Training. If the Remedial Training is conducted at the Approved Location, then Franchisee must cover the costs and expenses incurred by Franchisor and its personnel in providing such Remedial Training.

D. **Manuals**. Subject to payment in full of the Initial Franchise Fee, Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of the Manuals prior to the opening of the Franchised Business. Franchisor will also loan Franchisee a list of: (i) all fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items and Approved Products, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Services and Approved Products that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Franchised Business owners (the "Web Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the Web Portal. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

E. **Site Selection Review and Approval**

1. *Home Office*. If Franchisee is not operating from a Retail Showroom, then Franchisee must operate from a home office that affords Franchisee a dedicated working space and that otherwise meets any System standards set forth in the Manuals or otherwise provided by Franchisor in writing.

2. *Retail Showroom: Location and Lease*. With respect to any Retail Showroom that Franchisor wishes to develop as part of the Franchised Business, Franchisor must approve the location of that Retail Showroom in writing. Franchisor may provide Franchisee with basic site selection criteria that Franchisor establishes for the site of a Retail Showroom to the extent such criteria have been reduced to writing, and Franchisee must submit such information that Franchisor reasonably requires to conduct its analysis of any proposed Premises under this Section. Upon receipt of such materials, Franchisor will approve or reject Franchisee's proposal within 30 days unless delayed due to circumstances outside Franchisor's control. The parties agree and acknowledge, however, that Franchisor's approval of any given site does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location. Franchisee must also obtain Franchisor approval of the lease agreement for the Premises of any Retail Showroom (the "Lease") prior to Franchisee entering into such agreement. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of a form of Consent and Agreement of Landlord that is in a substantially similar form to the agreement attached hereto as Exhibit C. Franchisor will use commercially reasonable efforts to approve of such lease within 20 days of the date Franchisee provides a copy of the proposed Lease to Franchisor.

F. **Initial Promotional and Marketing Campaign**. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Initial Promotional and Marketing Campaign defined and described more fully in Section 9 of this Agreement, which program will be conducted at Franchisee's expense.

G. **Continuing Assistance**.

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

2. Franchisor may provide such assistance via telephone, fax, intranet communication, Skype or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

H. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

I. **Website**. For so long as Franchisor has an active website containing content designed to promote the Franchisor's brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this

Website, provided Franchisee is not in material default under this Agreement. The Website is discussed in greater detail in Section 9(G) of this Agreement.

J. **Email Addresses**. Franchisor will provide Franchisee with at least one (1) email address, which: (i) Franchisee shall use only in connection with the Franchised Business; and (ii) must be the only email addresses used in connection with the Franchised Business and (iii) will be owned by Franchisor and which Franchisor will have full right of access to.

K. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

L. **Inspections of the Premises and Approved Vehicles**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Approved Vehicle(s) and, if applicable, Retail Showroom to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals, and the System standards and specifications. Such inspections may include inspections of the Premises and/or Approved Vehicles and inspecting any and all books and records, and conducting mystery shop services. Inspections of any Premises and/or Approved Vehicles will only occur during normal business hours and, with respect to the Premises, will only involve the physical area that is specifically devoted to the Franchised Business (which may include where the Approved Vehicle is stored).

M. **Annual Conference**. Franchisor may establish and conduct an annual conference for all Franchised Business owners and operators, and will require Franchisee (or its Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference

N. **Call Center and/or Call Forwarding**. Franchisor reserves the right, but is under no obligation, to establish a System-wide call center (the "Call Center") and, if Franchisor does so, Franchisee will be required to pay related subscription fees and/or call forwarding costs at Franchisor's then-current rate or the then-current rate charged by Franchisor's Approved Supplier for call center services.

O. **No Assumption of Liability**. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

P. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

6. DUTIES OF FRANCHISEE

A. **Premises**. Unless Franchisee has secured a location that Franchisor approves for a Retail Showroom as of the date this Agreement is executed, Franchisee will be required to initially open and operate from a home office and the parties will designate the location of that home office as the Premises of the Franchised Business on the Data Sheet prior to executing this Agreement. Franchisee must demonstrate to Franchisor that the designated home office meets System standards prior to signing this Agreement. If Franchisee wishes to subsequently establish and/or add any Retail Showroom from which to display and offer the Approved Products, then Franchisee must comply with the site approval process described in Section 5(E)(2) above.

B. **Time to Open; Retail Showroom.**

1. Unless Franchisor agrees otherwise in writing, Franchisee must complete all pre-opening obligations and open and commence operating the Franchised Business within three (3) months of executing this Agreement.

2. If Franchisor permits Franchisee to open and maintain a Retail Showroom, Franchisee will still be required to open from its home office location within the three (3) month period described above. Franchisor will then permit Franchisee to commence the process of locating and securing a Retail Showroom, provided Franchisee otherwise complies with its obligations hereunder and uses its best efforts to operate the Franchised Business from the home office until such time that the Retail Showroom is approved and opened. Franchisor may submit basic site selection criteria and System standards to Franchisee in writing with respect to any Retail Showroom that Franchisee wishes to establish and maintain. Franchisee must submit to Franchisor, for Franchisor's approval, detailed plans and specifications, adapting Franchisor's then-current standard plans and specifications to the Premises of any Retail Showroom and to local and state laws, regulations, and ordinances. Once approved by Franchisor, Franchisee shall not materially change or modify such plans and specifications without the prior written consent of Franchisor. Franchisor must provide its prior written consent before Franchisee may open any Retail Showroom, and Franchisor reserves the right to inspect the construction and/or build-out of the Retail Showroom at any reasonable time prior to the opening date. Franchisee shall use a qualified licensed general contractor or construction supervisor to oversee construction or modification of any plans or specifications for the Premises of any Retail Showroom.

3. If Franchisee fails to open the Franchised Business within the three (3) month period described above, Franchisee will be in material default of this Agreement and will be subject to termination if Franchisee does not commence operating the Franchised Business within 30 days of the date Franchisor provides Franchisee with notice of this default.

C. **Licenses and Permits for Franchised Business**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at/from any Premises and within the Designated Territory, including: (i) all required licenses and permits related to the offer and sale of home renovation products and related installation services, related general contractor-like services;;; and/or (ii) qualifying individuals for the licenses (such as a RME or RMO), as necessary, to provide the Approved Products and Approved Services.

D. **Licensing Requirements for Direct and Third-Party Personnel**. Franchisee must ensure that the applicable Approved Products and Services provided by the Franchised Business are only offered and conducted by individuals (whether employees, independent contractors, subcontractors or third parties) that have the licenses and/or other certifications or approval, if any, necessary to provide the Approved Products and Services to any Client that Franchisee contracts with to provide such products or services.

E. **Approved Products and Services**. Franchisee must only offer and sell only the Approved Products, and must only offer and provide the Approved Services, through the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specifications related to the manner in which the Approved Products and Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Products or the Approved Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to use or carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory and/or remove the disputed service from those services offered by the Franchised Business, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

Q. **Approved Vehicle; Other Required Items**. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the Approved Vehicle that must be used in connection with the Franchised Business, Computer System, equipment, supplies, inventory; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate. Franchisee shall cause the Approved Vehicle to be wrapped or painted in signage and artwork as approved by Franchisor prior to opening the Franchised Business. Franchisee agrees to maintain all Approved Vehicles in good mechanical condition and an appearance that properly represents the brand and System to the public and to improve vehicle appearance at the request of the Franchisor. Franchisor also reserves the right to require Franchisee to install a GPS tracking device designated by Franchisor on the Approved Vehicle(s) so Franchisor can track the Approved Vehicle(s) during the normal business hours of the Franchised Business, in which case Franchisee will cover the costs associated with initial installation and the ongoing service fees associated with the GPS device(s).

F. **Maintenance of Approved Vehicle, Signs, and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewal or assignment of this Agreement or the Franchised Business, hereof, at Franchisee's expense, the Approved Vehicle(s), the Franchised Business, and all equipment, fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. At Franchisor's request, which shall not be more often than once every five (5) years (unless the change is being requested as a condition renewal or sale or assignment), Franchisee shall refurbish and upgrade the Approved Vehicles, any equipment thereon, and other components of the Franchised Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of Proprietary Marks consistent with Franchisor's then-current standards and conditions for the System, including without limitation, redecoration, remodeling, and modifications to existing improvements, but specifically excluding vehicle wraps, lettering, and/or trade dress for those Approved Vehicles that may be updated more frequently (collectively, the "Vehicle Updates"). Franchisee shall have six (6) months from its receipt of Franchisor's request to complete the change, except that Franchisee is required to complete any Vehicle Updates within one (1) month of Franchisor's request.

G. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto.

H. **Inspection of Items**. Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove from any Retail Showroom or home office samples of items without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor, or if the sample fails to conform to Franchisor's specifications.

I. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's then-current procedure for evaluating and approving such request. At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

J. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including the any proprietary software used in connection with the System.

K. **Initial Training Program and Other Training/Conference Attendance**. Franchisee shall designate a manager for the Franchised Business who must attend and successfully complete all training and annual conferences (if held) that are prescribed by Franchisor under this Agreement. Franchisee must also cover all costs associated with personnel of Franchisee attending the Initial Training Program. Any failure to attend and complete the Initial Training Program or other training/conferences described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

L. **Training of Employees**. Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the Initial Training Program must manage the Franchised Business at all times.

M. **Image**. Franchisee shall maintain the image of the Retail Showroom (if applicable), the Approved Vehicle(s), and Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Retail Showroom (if applicable) and each Approved Vehicle is maintained in a clean and orderly manner; and (ii) ensuring that all promotional samples and displays of Approved Products, as well as all equipment, furniture and fixtures used in connection with the Franchised Business, remains in good, clean and presentable condition.

N. **Customer Lists and Data/Agreements; Privacy Laws**.

1. Franchisee must (i) maintain a list of all of its current and former Clients, as well as any contracts and other documentation relating to any Approved Products and Approved Services provided to such Clients, at the Premises and stored within any Proprietary Software that Franchisor designates (including any franchise management system); and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information to Franchisor upon expiration or termination of this Agreement for any reason. This Client Information is deemed "Confidential Information" (as later defined in this Agreement), and Franchisor's exclusive property hereunder, including all Approved Services contracts with such Clients. Franchisee acknowledges that Franchisor will have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

2. In addition to complying with Confidential Information obligations under this Agreement, Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws"), including (if applicable) advising any Clients or other third parties that provide such Confidential Information of Franchisor's rights to access, store and use such information pursuant to this Agreement. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

O. **Promotional Prices; Pricing Guidelines.** To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular management service or other Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Services.

P. **Operation of Franchised Business and Customer Service**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System, and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor, subject to compliance with mandatory consumer protection and product and service warranty laws in the Designated Territory. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing. Franchisee has sole responsibility for all product or service warranty claims and resolution of customer complaints. Franchisor has no liability to any person for the same unless Franchisor is direct supplier of a product or service to the customer.

Q. **Access for Inspections/Audit**.

1. To determine whether Franchisee is complying with this Agreement, Manuals, and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) allow Franchisor to inspect, photograph, or videotape the Franchised Business, equipment, or operations therein; (iii) interview or survey personnel and Clients of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

2. In the event Franchisor requires Franchisee to place a GPS tracking device on the Approved Vehicle(s), Franchisee agrees and acknowledges that: (i) Franchisee shall not attempt to remove or otherwise tamper with such GPS device(s); and (ii) Franchisor's use of such GPS devices in the manner described in this Agreement does not constitute a control mechanism or any violation of the privacy rights of Franchisee, its owners, or any other representatives. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to immediately correct the deficiencies detected during any such inspection.. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

R. **Personal Participation by Franchisee**. Franchisee (or if Franchisee is an entity, 1 of its operating principals that has completed the Initial Training Program) must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

S. **Credit Cards and Payment Methods**. Franchisee must accept credit and debit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express, and Discover and any other major credit cards designated by Franchisor or that are commonly in use in the Designated Territory. Franchisee may also accept cash and/or checks and/or internet banking or other electronic or direct payment methods in connection with the Franchised Business. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("PCI DSS"), as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

T. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates, or any Approved Supplier.

U. **Employment Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

V. **Minimum Performance Requirement**. Franchisee must meet the following minimum productivity levels in connection with its operation of the Franchised Business (collectively, the "Minimum Productivity Levels"), with such Minimum Productivity Levels based on how long the Franchised Business has been open and operating:

Time Period	**Minimum Productivity Level (In Term of the Monthly Gross Sales that the Franchised Business Must Generate)**
First Calendar Quarter (3 months) of operation	None
Following 4 Calendar Quarters of Operation	$90,000 per Quarter
Following 8 Calendar Quarters of Operation	$120,000 per Quarter
Each quarter, ongoing, following 12 Calendar Quarters of Operation	$180,000 per Quarter

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks will contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises (if a Retail Showroom), as well as any Approved Vehicle/s and signage, a sign or notice containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, EATGATHERLOVE, under a license agreement with Franchisor."

4. In all public records, in relationships with other persons, and on letterhead, business cards, advertising, and business forms, Franchisee shall indicate Franchisee's independent ownership of the Franchised Business and that Franchisee is solely an independent franchisee of Franchisor.

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, signage, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the “Improvements”), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor’s interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

G. **Modification or Substitution of Marks by Franchisor**. If in Franchisor’s reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor’s rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor’s sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages

H. **Modification of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

I. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

J. **Acknowledgements**. With respect to Franchisee’s use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee’s corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefore without Franchisor’s prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

K. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

L. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

M. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

N. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

A. **Manuals**. Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned (and permanently deleted from any device or cloud file storage account owned or controlled by Franchisee) to Franchisor upon termination or expiration and non-renewal of this Agreement. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

B. **Control of Franchised Business**. Franchisee acknowledges any Manual(s) provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of Franchisee's Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operation thereof.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The methods, specifications, standards, policies, procedures, pricing structures, concepts, and systems relating to the development, operation, and franchising of the System;

2. The Manuals;

3. The substantial collection of knowledge, "know-how" and expertise in providing the Approved Products and Services using the System, which is disclosed to the Franchisee as has been invested in and developed and collected by Franchisor, its licensor or any related party;

4. Any Client Information, including the names, contact information, any relevant Client property information, preferences, existence of the relationship, pricing, and any other information concerning Clients, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and Clients;

5. Any financial results, reports or figures related to any and all Businesses;

6. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the system;

7. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software, content of all databases, specifications, plans, designs and other details of the Approved Products and Services;

8. Marketing and promotional programs designed by us or our approved supplier(s);

9. Relationships and group supply arrangements with Approved Suppliers of any Approved Products;

10. Training materials used in the operation of or related to the System or the Franchised Business; and

5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, all information described in Sections 8(C)-(D) will be referred to as the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Client Information, and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, (and permanently deleted from any device or cloud file storage account owned or controlled by Franchisee) at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Restrictive Covenant Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Restrictive Covenant Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Restrictive Covenant Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Restrictive Covenant Agreement within ten (10) days of Franchisor's request.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Franchised Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been specified in the Manuals or prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Initial Promotional and Marketing Campaign**. Prior to and following the commencement date, Franchisee must, for the number of weeks specified by Franchisor, carry out local advertisement and promotion as specified or approved by the Franchisor in connection with the initial launch of the Franchised Business ("Initial Promotional and Marketing Campaign"). Franchisee must expend at least $5,000 during the period of the Initial Promotional and Marketing Campaign. Franchisee may choose to spend more. Prior to their use, all materials to be used in the Initial Promotional and Marketing Campaign must be approved by Franchisor. Franchisor will have the right to approve and/or designate the type of expenditures that are made will be in addition to any Local Advertising expenditures, as set forth in this Agreement.

D. **Local Advertising.** Franchisee shall comply with the following requirements in regard to local advertising:

1. Throughout the Term, Franchisee must also expend a minimum monthly (on average and measurable each 3-month period) amount on local advertising and promotion of the Franchised Business amounting to the greater of (a) seven percent (7%) of the Gross Sales of the Franchised Business from the preceding calendar month, or (b) $5,000 per month (the "Local Advertising Requirement"), to carry out advertising and promotions of the Franchised Business in the Designated Territory as specified/approved and updated by the Franchisor from time to time, which may include: (i) listing or advertising the Franchised Business in major regional and local business and industry directories and publications (hard copy or online); (ii) participating in Google Adwords and/or similar targeted internet advertising or "click through" campaigns; (iii) joining or participating in referral and consumer recommendation and feedback sites and directories such as Google Local, Angie's List, www.citypages.com, as Franchisor may specify (and change) from time to time; (iv) advertising regularly in local or regional newspapers; (v) Exhibiting in Home and Renovation Shows and Expos; and/or (vi) participating in local or regional radio or television campaigns. Upon termination, transfer, or

expiration of this Agreement, Franchisee agrees to take any and all steps necessary to assist Franchisor in removing or assigning control of all listings, content and history under this Section to Franchisor.

2. Franchisor will specify in writing if the Local Advertising Requirement drops below the greater of (a) seven percent (7%) of the Gross Sales of the Franchised Business, or (b) $5,000 per month, and Franchisor may do so at its discretion. If any shared or joint listings or advertising are undertaken by the Franchisee along with other Businesses, each shall pay a pro rata share of the cost of all advertisements and listings.

3. Franchisor may require Franchisee to prepare an initial comprehensive local advertising plan and program prior to opening the Franchise Business that details Franchisee's budget and anticipated expenditures for the Local Advertising Requirement for the Franchised Business's first year of operations, which must be approved by Franchisor prior to opening. Franchisor may further require that Franchisee submit an annual Local Advertising Requirement plan or program for each subsequent year of the Franchised Business's operation on or before the beginning of the Franchised Business's fiscal year that must be approved by Franchisor prior to implementation. Franchisor may from time to time provide to Franchisee, at Franchisee's expense, such approved advertising and promotional plans and materials as Franchisor deems advisable. Franchisor may, as it deems necessary in its sole discretion, provide general guidelines for conducting local advertising so as to better assist Franchisee. Within thirty (30) days after the end of each month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on local advertising for the preceding month.

4. Franchisee must ensure that: (i) the Franchised Business has a dedicated phone landline and number and/or a dedicated mobile phone number for use exclusively in connection with the Franchised Business, which must be listed in the "White pages" telephone directory and the classified or "yellow pages" telephone directory (online and hard copy) as distributed in its Designated Territory and under the categories "Kitchen Design," "Home Improvement," "Remodeling," or such other category as Franchisor may specify from time to time. Franchisee shall assign, at its own cost, such telephone numbers to Franchisor or its designee at Franchisor's option, upon termination, expiration, or transfer of this Agreement;

5. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless (a) with the Franchisor's prior written consent, the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been granted in connection with any other Franchised Business, or (b) Franchisor otherwise provides its prior written consent in writing (with the parties agreeing that such consent may be withdrawn at any time by Franchisor in its discretion with no claim for compensation or loss to be made by Franchisee).

E. **<u>Marketing Fund</u>**. Franchisor reserves the right to establish a brand marketing fund designed to promote the System, Proprietary Marks and EATGATHERLOVE brand generally (the "Fund"). If such Fund is established, Franchisee will be required to contribute to this Fund on a monthly basis in an amount of the greater of: (i) 3% of the Gross Sales generated by the Franchised Business during the preceding calendar month of operations, or (ii) $2,000 per month (the "Fund Contribution"). All Fund Contributions are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. If and when established, the Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks, and Approved Products or Services.

2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the EATGATHERLOVE Businesses operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such contributions to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. In the event Franchisor's expenditures for the Fund in any one (1) fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust.

5. Franchisor will, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting that will be available to Franchisee, upon Franchisee's written request, one hundred and twenty (120) days after the Franchisor's fiscal year end.

6. Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.

E. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Businesses, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

F. **Website**. Franchisor may establish an interior page on its corporate website to display the contact information associated with the Franchised Business for so long as (i) the Franchised Business is actively operating, and (ii) this Agreement is not subject to termination. If Franchisor creates and includes any information about Franchisee on a website, then Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System, or Proprietary Marks without Franchisor's prior written consent. If approved by Franchisor to establish a separate website, Franchisee shall comply with Franchisor's policies, standards, and specifications with respect to the creation, maintenance, and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate. All listings or website or social media or business account established or owned by the Franchisee in connection with the Franchised Business and all content thereon must be amended or terminated or deleted or assigned to the Franchisor on written request at any time during the term or upon termination/expiration of this Agreement. Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain name http://www.eatgatherlove.com, as well as any other Internet domain names registered by Franchisor in the future, and unconditionally disclaims any ownership interest in such domain names and any Internet domain names colorably similar thereto. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

G. **Cooperatives**. Franchisor reserves the right, but not the obligation, to establish regional advertising cooperatives that are comprised of multiple Franchised Business owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in a weekly or monthly specified amount. All amounts paid to a Cooperative will be credited towards Franchisee's

Local Advertising Requirement, Franchisor may specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete computer files, back-up files, other records, accounts, books, data, licenses, customer invoices, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 will belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have access to and the right to examine and audit Franchisee's records, accounts, accounting software, books, computer files and data, including any proprietary software used in connection with the System, at any time to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more of year to date sales, then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records**.

1. Franchisee shall record all transactions of the Franchised Business on the Franchisor's proprietary franchise management system or other software that is designated or approved by Franchisor. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System and franchise management system as described in Section 4 of this Agreement.

2. Franchisee shall not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and

information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

D. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall ensure that all data relating to current contracts, listings, agreements, and projects related to Clients and/or properties that Franchisee is involved in or working with is uploaded into the franchise management system in a timely manner in accordance with Franchisor specifications.

E. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee must certify as true and correct.

F. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, managers, members, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE

A. **Required Insurance**. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

1. Commercial general liability insurance with minimum limits of Two Million Dollars ($2,000,000) for personal injury, completed operations, contractual liability, and products liability (including an amount of not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury and not less than Two Million Dollars ($2,000,000) per occurrence for property damage),),), and naming Franchisor as an additional insured in each such policy or policies;

2. Fire, vandalism, and extended coverage insurance with primary and excess limits of not less than the full replacement value of the premises of the Franchised Business and its furniture, fixtures, and equipment;

3. Auto insurance for all vehicles used in connection with operating the Franchised Business, including Franchisee-owned vehicles, and non-Franchisee-owned

vehicles, which will include liability coverage in the minimum amount of One Million Dollars ($1,000,000) per year, as well as commercial auto insurance for Franchisee-owned vehicles, which will include collision and comprehensive coverage as well as liability coverage in the minimum amount of $250,000 per person and $500,000 per accident per year, or the minimum required by state regulations, whichever is greater;

4. Employer's liability, workers' compensation, and such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located and operated;

5. Business interruption insurance in the amounts and with terms acceptable to Franchisor;

6. Key Man Insurance for the Designated Manager, if applicable, which requires the insurer, on death or incapacity of the insured, to pay the Franchisee an amount at least equal to the sum of the Royalty Fees payable to Franchisor hereunder for a period of at least six (6) months;

7. Directors and officers insurance providing $500,000 of cover; and

8. Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

Franchisee must buy insurance only from carriers rated A- or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This Franchised Business is independently owned and operated pursuant to a license agreement."

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, members, managers, shareholders, affiliates, subsidiaries, parents, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee will be solely responsible for how it uses the Approved Products to perform the Approved Services.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent which may be subject to requirements or conditions as set out in this Agreement. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent will be voidable at Franchisor's option and will subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the

operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership**. In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent will be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above will not be subject to Franchisor's right of first refusal as set forth in Section 13(D) unless it results in a change of effective control of the Franchisee or removal of all persons who have completed Initial Training from the Franchisee.

D. **Right of First Refusal**. If (a) Franchisee proposes to transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Premises, or (b) Franchisee's owners propose to transfer any interest in Franchisee if Franchisee is an entity (other than a corporation or limited liability company excluded from this clause as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), then Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must on written demand (unless subject to a current Notice of Default) cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good

moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor (unless approved by Franchisor in writing), except that the transferee may be an existing franchisee of Franchisor;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the ownership of the Franchised Business or Franchisee entity transfers to the transferee;

7. Franchisee or transferee shall pay Franchisor a transfer fee equal to the greater of: (i) $25,000 or (ii) 10% of the purchase sale price of the Franchised Business except if Franchisee transfers to a business entity owned by Franchisee.

8. Franchisor will require transferee (and, if applicable, its Designated Manager) to attend the Initial Training Program at Franchisor's training facility (Transferee must cover the costs and expenses it and its personnel incurs in connection with attending);

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is an entity) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to an entity, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the entity is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity at issue is wholly owned by Franchisee (and no other party); (iii) the entity agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, members and managers of the limited liability company, or owners and principals of the entity, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks, and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors, or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with: (i) any other business that (a) offers, sells or provides any type of kitchen, bathroom, bedroom or other interior home renovation services or products, (b) works with any of Franchisor's Approved Suppliers to otherwise directly compete with a Business (collectively, a "Competing Business"); or (ii) any business that offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;

2. Solicit or communicate with any of Franchisor's Approved Suppliers or any Client for any purpose other than conducting the authorized business of the Franchised Business hereunder;

3. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or

indirectly induce or seek to induce such person to leave his or her employment thereat; or

4. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **<u>After the Term of this Agreement</u>.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

      i. within the Designated Territory;
      ii. within a thirty (30) mile radius of the Designated Territory; or
      iii. within a thirty (30) mile radius of any Business that is open and operating as of the date this Agreement expires and/or is terminated;

   b. Solicit or communicate with any Approved Supplier for any competitive purpose;

   c. Solicit business from Clients of Franchisee's former Franchised Business nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

3. Nothing in this Section shall preclude or otherwise affect Franchisee or any other person mentioned herein from seeking and securing employment with national chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "Competing Business," provided the Franchisee or other person at issue strictly complies with all confidentiality, non-solicitation and other covenants set forth in this Agreement in connection with such employment.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Restrictive Covenant Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Restrictive Covenant Agreement prior to disclosure to such persons of any Confidential Information (which will be in substantially the same form as the document attached to the Franchise Disclosure Document). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), will constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee does, or attempts to, sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation or material omission made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee intentionally misuses any proprietary software, including any franchise management system, that Franchisor designates for use in connection

with the Franchised Business or uses such software/system to commit fraudulent behavior;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in (a) that other agreement, or (b) a notice sent to Franchisee and/or its principals related to that default;

8. If Franchisee defaults under the lease for its Retail Showroom and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control any such Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within 48 hours of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; or (ii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than three (3) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System, files or records as required under this Agreement, and fails to remedy this default within forty-eight (48) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates, any of its Approved Suppliers or any Client any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed, with Franchisee agreeing and acknowledging that all amounts due any Approved Supplier for any Approved Product will be due "Charge On Delivery."

14. If Franchisee fails, for a period of fifteen (15) days after notification (or such greater time as is strictly necessary to allow compliance) of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification (or such greater time as is strictly necessary to allow compliance) of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement two (2) or more times within any twelve (12) month period

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers;

20. If Franchisee fails to meet the Minimum Productivity Levels set forth in Section 6(V) of this Agreement in two (2) or more consecutive Calendar Quarters, and subsequently fails to meet the applicable Minimum Productivity Level in the Calendar Quarter wherein Franchisee receives notice of said default from Franchisor; and/or

21. If Franchisee receives from Franchisor three (3) or more notices that Franchisee has failed to comply with the standards and specifications set forth in the Manual during any eighteen (18) month period, whether or not these failures were timely cured.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Loss of Designated Territory**. Notwithstanding Section 15(B)(20), if Franchisee is in default of this Agreement pursuant to Section 6(Z) and fails to meet the Minimum Productivity Levels, Franchisor may, at its option and as an alternative to terminating this Agreement, elect to reduce the size of Franchisee's Designated Territory and own and operate, or license another to operate, additional Businesses in the Designated Territory. In the event Franchisor elects to reduce Franchisee's Designated Territory and/or terminate Franchisee's exclusive rights therein, Franchisor will provide Franchisee with written notice thereof. Upon receipt of such notice, Franchisee will have ten (10) calendar days to execute an addendum to this Agreement detailing the revised boundaries of the Designated Territory and/or termination of exclusive rights therein. If Franchisee does not execute this Addendum with the prescribed time period, then Franchisor may, at its option, immediate terminate this Agreement upon notice to Franchisee.

E. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to ten percent (10%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand Generally**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of an Franchised Business (unless Franchisor agrees otherwise in writing);

B. **Return Manuals and Confidential Information**. Return to Franchisor all copies of the Manuals and all trade secrets, Confidential Information (including all Client Information) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof (and where all items or copies cannot be returned; destroy or permanently delete the same from all devices or information storage locations or accounts owned or controlled by Franchisee). Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Approved Services Contracts, Telephone/Facsimile Numbers and Domain Names**. Take such action that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Client and property lists, and (b) any

Approved Services contracts and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the former Franchised Business, as well as any white and yellow page telephone references, advertisements, listings, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F;

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System;

1. Remove all trade dress, then Franchisee must remove physical characteristics, color combinations, and other indications of operation under the System from the Premises and from the Approved Vehicles (and provide documentation thereof to Franchisor as set forth in Section 16(G) below);

2. Upon Franchisor’s request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor;

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **Payment of Amounts Due**. Pay Franchisor, as well as each of Franchisor’s Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within five (5) days of the termination or expiration date;

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations within fourteen (14) days of the date this Agreement is terminated or expires; and notice of termination or scheduled expiration of the franchise; and

H. **Transfer or Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the name EATGATHERLOVE or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor’s request, to disconnect the telephone number used in connection with the Franchised Business or to transfer such number to Franchisor or to any person or location of Franchisor’s choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee’s attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions. Franchisee must sign and comply with the form of Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached hereto as Exhibit E.

I. **Purchase of Assets**. Franchisor shall have the first option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, lodging, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof will constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **<u>Terms of Other Franchise Agreements</u>**. No warranty or representation is made by the Franchisor that all franchise agreements heretofore or hereafter issued by Franchisor in connection with a Franchised Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **<u>Modification of System and Manuals</u>**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement will be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **<u>No Disclaimers of Franchise Disclosure Document</u>**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document.

19. <u>ENFORCEMENT</u>

A. **<u>No Withholding of Payments</u>**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

B. **<u>Costs and Attorneys' Fees</u>**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor or any of Franchisor's express third-party beneficiaries under this Agreement engage an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse that party for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses and enforcement of judgement or debt collection costs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. <u>NOTICES</u>

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor: EGL California, LP
Attn: Derek John Lilly, CEO
52105210 East Pima Street
Tucson, AZ 85712

With a copy to: Fisher Zucker, LLC
Attn: William R. Graefe, Esq.
21 South 21st Street

Philadelphia, PA 19103

To Franchisee: ____________________________

____

____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address. Notices may also be sent and deemed delivered to Franchisee if such notice is sent to the email address that Franchisor (a) provided to Franchisee for use in connection with the Franchised Business, or (b) otherwise has on file for Franchisee.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's CEO or other executive management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B) above, will be submitted first to mediation to take place at Franchisor's headquarters in Arizona under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor may obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor; and (vii) the assignment of the franchise and ownership interests in Franchisee. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21(C) and 21(D) above, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction that is closest to Tucson, Arizona, if appropriate, the United States District Court for the District of Arizona (subject to state law). Franchisee acknowledges that this Agreement has been entered into in the State of Arizona, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Arizona, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Arizona as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, owners, members, managers, affiliates, parents, subsidiaries, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including without limitation the dispute resolution provisions set forth in this Section 21.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions**. Franchisee further agrees that: (i) no cause of action arising out of or relating to this Agreement may be maintained by Franchisee against Franchisor or its affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner; and (ii) any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days before signing the Agreement, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisee acknowledges that this Agreement, the Franchise Disclosure Document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

[The remainder of this page is intentionally left blank.

Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

EGL CALIFORNIA, LP

By: ___________________________________
Derek John Lilly, CEO of General Partner

Date: __________________________________

FRANCHISEE:

IF FRANCHISEE IS AN INDIVIDUAL:

____
Print Name of Franchisee (above)

By: ____________________________________

Date: __________________________________

____
Print Name of Franchisee (above)

By: ____________________________________

Date: __________________________________

____
Spouse Name (if applicable)

By: ____________________________________

Date: __________________________________

IF FRANCHISEE IS A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

____
Entity Name (above)

By: ____________________________________

Print Name: _____________________________

Title: __________________________________

Date: __________________________________

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. PREMISES

Pursuant to Section 2(B) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises (which will be a home office unless Franchisor has approved a third-party Retail Showroom as of the date the parties sign this Agreement):

____
____
____

2. DESIGNATED TERRITORY

Pursuant to Section 2(C) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

____
____
____
____

3. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: ____________________________________

Daytime Telephone No.: ____________________________________

Evening Telephone No.: ____________________________________

Cellular Telephone No.: ____________________________________

Facsimile No.: ____________________________________

E-mail Address: ____________________________________

4. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
________________________	__________________	__________
________________________	__________________	__________

_________________________ __________________ __________

_________________________ __________________ __________

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this ____ day of __________, 20____.

FRANCHISEE	**FRANCHISOR**
___________________________________	**EGL CALIFORNIA, LP**
By: ________________________________	By: ___________________________________ Derek John Lilly, CEO of General Partner
Name:______________________________	
Title:_______________________________	

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to EGL California, LP (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named ________________________________ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing franchise agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a business (each, a "Business") and/or a franchised business utilizing the system (each, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the

"Proprietary Marks"); (ix) information generated by, or used or developed in, an Franchised Business's operation, including client names, properties and related rental management agreements or contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "Client Information"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) provides kitchen, bathroom, and bedroom renovation products and installation services, related building products and services, or any other related improvement services that are similar to the Approved Services or Approved Products offered by the Franchised Business and/or other Businesses (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a business pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company.

1.2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of the Franchise Agreement and this Guaranty.**

2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, each of the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

(i) within the Designated Territory;
(ii) within a thirty (30) mile radius of the Designated Territory; or
(iii) within a thirty (30) mile radius of any business granted by Franchisor that is open or under development as of the date the Franchise Agreement expires and/or is terminated.

2.2.2 Solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, nor solicit any of Franchisor's other employees, or the employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

2.2.3 Nothing in this Section 2.2 shall preclude or otherwise affect the undersigned from seeking and securing employment with national chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "Competing Business," provided all other confidentiality, non-solicitation and other covenants are complied with by the undersigned.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this

Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the Arizona.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's President or other executive management. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at Franchisor's headquarters in Arizona under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to Section 4 above, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located in or closest to Tucson, Arizona, or, if appropriate, the United States District Court for the District of Arizona. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, owners, members, managers, affiliates, parents, subsidiaries, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES/AGENTS/REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor or any of Franchisor's express third party beneficiaries incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then that

party will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. <u>Do not sign this Agreement if there is any question concerning its contents or any representations made</u>.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

____________________________	____________________________
[Insert Signature of Guarantor]	[Insert Signature of Spouse]
____________________________	____________________________
[Insert Signature of Guarantor]	[Insert Signature of Spouse]

EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective on this ___day of _________, 20____ Effective Date,") by and between: (i) EGL California, LP, a California limited partnership with its principal place of business at 5210 E Pima Street, Tucson, Arizona 87512 (the "Franchisor"); and (ii) _______________________, a (resident of) (corporation organized in) (limited liability company organized in) ________________________ with a business address at _________________________________ (the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of ____________, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a franchised business (the "Franchised Business") located at ____ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from ____ (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, parents, subsidiaries, managers, members, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to

the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**: This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**: If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section

or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE	**FRANCHISOR**
By:______________________________	**EGL CALIFORNIA, LP**
Name:___________________________	By: __________________________________ Derek John Lilly, CEO of General Partner

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

____

By: ______________________________
Name:____________________________
Title:_____________________________
Date:_____________________________

EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: ____
ABA# : ____
Acct. No.: ____
Acct. Name: ____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes EGL California, LP (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated ________________(the "Franchise Agreement") for the franchised business located at: _________________________________ (the "Franchised Business"): (i) all Royalty Fees; (ii) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

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

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

AGREED:

FRANCHISEE

[INSERT FRANCHISEE NAME]

By: __________________________________

Name (Print): _________________________

Its: ___________________________________

FRANCHISOR APPROVAL

EGL CALIFORNIA, LP

By: __________________________________
Derek John Lilly, CEO of General Partner

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. ____________________, doing business as Franchised Business (the "Assignor"), in exchange for valuable consideration provided by EGL California, LP (the "Assignee"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its EATGATHERLOVE franchised business located at ______________________________ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): ____
Facsimile Number(s): ____
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): ________________
____.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

BY: ____________________________________ Date: __________________

TITLE:_________________________________

ASSIGNEE

EGL CALIFORNIA, LP

BY: ___________________________________
Derek John Lilly, CEO of General Partner

EXHIBIT F TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

[*To be completed by Franchisee and all Owners before signing Franchise Agreement*]

As you know, you and EGL California, LP (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a Franchised Business. The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

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

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

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

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

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

Yes____ No ____ 6. Do you understand the success or failure of your Franchised Business(es) will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your premises, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes____ No ____ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the EATGATHERLOVE mark or any other mark at any location outside your Designated Territory under the Franchise Agreement, without regard to the proximity of these activities to you're the premises of your Franchised Business(es)?

Yes____ No ____ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, at our then-current headquarters?

Yes____ No ____ 10. Do you understand the Franchise Agreement provide that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes____ No ____ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes____ No ____ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes____ No ____ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes____ No ____ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under a Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes____ No ____ 15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 16. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No ____ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

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

PROSPECTIVE FRANCHISEE/APPLICANT:

By:____
Print Name:____________________________________
Date:____

By:____
Print Name:____________________________________
Date:____

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

EXHIBIT B
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

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Financial Report
December 31, 2017

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ZAINER RINEHART CLARKE
CERTIFIED PUBLIC ACCOUNTANTS • APC
AN INDEPENDENT MEMBER OF DFK INTERNATIONAL
Santa Rosa • St. Helena • Sonoma

3510 UNOCAL PLACE, SUITE 350
SANTA ROSA, CALIFORNIA 95403
707 525.1163
707 525.0331 FAX
WWW.ZRCCPAS.COM

INDEPENDENT AUDITORS' REPORT

April 17, 2018

Partners
Amazing Kitchen Facelifts California, LP
Tucson, Arizona

Report on the Financial Statement

We have audited the accompanying financial statements of Amazing Kitchen Facelifts California, LP which comprise the Balance Sheet as of December 31, 2017 and the related Statements of Operations, Changes in Partners' Capital and Cash Flows for the nine months then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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,

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 presents fairly, in all material respects, the financial position of Amazing Kitchen Facelifts California, LP as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Zainer Rinehart Clarke

Certified Public Accountants
A Professional Corporation

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

BALANCE SHEET
DECEMBER 31, 2017

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	155,886
Accounts receivable		50,000
Total current assets		
	$	205,886
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Accounts payable	$	28,090
Total current liabilities		28,090
COMMITMENTS		-
PARTNERS' CAPITAL		
Partners' capital		177,796
	$	205,886

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

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

FRANCHISE REVENUE	$	50,000
OPERATING EXPENSES		
Outside consultants		48,454
Legal		23,874
Travel		10,642
Franchise fee		5,000
Training costs		11,121
Trade show		4,204
Advertising, marketing and promotions		1,350
Other		2,559
Total operating expenses		107,204
LOSS FROM OPERATIONS		(57,204)
NET LOSS	$	(57,204)

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

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

CHANGES IN PARTNERS' CAPITAL
NINE MONTHS ENDED DECEMBER 31, 2017

BALANCE, March 17, 2017	$	-
CONTRIBUTIONS		235,000
NET LOSS		(57,204)
BALANCE, December 31, 2017	$	177,796

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

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

STATEMENT OF CASH FLOWS
NINE MONTHS ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(57,204)
Adjustments to reconcile net loss to net cash flows from operating activities		
(Increase) decrease in accounts receivable		(50,000)
Increase (decrease) in accounts payable		28,090
NET CASH (USED IN) OPERATING ACTIVITIES		(79,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions		235,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		235,000
NET INCREASE IN CASH		155,886
CASH AND CASH EQUIVALENTS, beginning of year		-
CASH AND CASH EQUIVALENTS, end of year	$	155,886

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

Note 1. Nature of business and significant accounting policies

a. Amazing Kitchen Facelifts California, LP, a California limited Company, was formed on March 17, 2017 for the purposes of franchising its kitchen remodeling business in California. Amazing Kitchen Facelifts California, LP is owned by its majority limited partner, Amazing Kitchen Facelifts USA, LP, its minority limited partner, and by its minority and general partner, Amazing Kitchen Facelifts California GP, Inc.

   The shareholders of Amazing Kitchen Facelifts California GP, Inc. and the majority owned partners of Amazing Kitchen Facelifts USA, LP and Amazing Kitchen Facelifts California, LP are the same individuals.

b. The Company considers all highly liquid debt instruments with original maturities of three months or less, when purchased, to be cash equivalents.

c. The books and records of Amazing Kitchen Facelifts California, LP are maintained, and these financial statements are prepared on the accrual basis of accounting.

d. The Company is not an income tax paying entity for federal or state income tax purposes; therefore, no income tax expense has been recorded in the financial statements. Income from the Company is taxed to the partners on their individual income tax returns.

e. The Company's policy is to reflect interest and penalties related to uncertain tax positions as part of income tax expense, when and if they become applicable.

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

Note 2. Related party transactions

During 2017, the Company received capital contributions of $235,000 from its majority limited partner.

Note 2. (Cont.) Related party transactions and commitments

In November 2017, the majority limited partner entered into an option agreement with two investors. The agreement provides for the purchase of specific Company interests on specific dates during 2018 and 2019 at set prices. In November 2017, the first option was exercised, and a 12.5% Company interest was assigned to the two investors for $250,000. Outstanding options under the agreement as of December 31, 2017 provide for the purchase of an additional 82.5% interest for a total of $1,650,000.

Amazing Kitchen Facelifts USA, LP is the Franchisor for its subsidiary Amazing Kitchen Facelifts California, LP, the Master Franchisee. Under the ten-year franchise agreement Amazing Kitchen Facelifts USA, LP has granted the right to operate the franchise business within California. As consideration for this right, Amazing Kitchen Facelifts California, LP will pay an ongoing, monthly license fee of 10% of total revenue earned from all unit franchisees within California. Franchise fee expense totaled $5,000 for the five months ended December 31, 2017 and is included in Accounts Payable.

Effective December 2017 the company signed a ten-year franchise sales agreement. Terms of the agreement include a $50,000 initial franchise fee and monthly royalty fees thereafter based on 6.0% of franchise revenue which is subject to change based on certain requirements being met. Terms also include monthly fees for technology, marketing and other fees as applicable to be paid monthly.

A partner provides consulting services to the Company. There is no formal agreement and fees for services vary. Consulting fees were $11,718 for the nine months ended December 31, 2017.

Two of the owners of the franchisee are also minority partners of Amazing Kitchen Facelifts California, LP.

Note 3. Dependency on continued financing

The ability of the Company to continue as a going concern is dependent upon continued financing from its limited partner. Subsequent to year end the limited partner has represented that it will continue to finance the Company on an as needed basis.

Note 5. Provisions for taxes

The Company is subject to a minimum annual California franchise fee of $800.

The Company is also subject to "Accounting for Uncertainty in Income Taxes" under Accounting Standards Codification (ASC) 740 Income Taxes. The ASC requires the evaluation of tax positions taken or expected to be taken in the Company's tax returns and does not allow recognition of tax positions which do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. The Company does not believe it has taken any tax positions that would not meet this threshold.

The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have a three-year statute of limitations, and the state income tax returns have a four-year statute of limitations.

Note 7. Subsequent events

Effective March 1, 2018, the majority limited partner sold an additional 12.5% of its interest in Amazing Kitchen Facelifts California, LP to two investors for $250,000.

Subsequent to year end the Company changed its name to EGL California, LP.

In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Company has evaluated subsequent events through April 17, 2018, which is the date these financial statements were available to be issued. There are no material subsequent events requiring recognition or additional disclosure in these financial statements as of December 31, 2017.

Amazing Kitchen Facelifts California, LP
Financial Report
August 8, 2017

CONTENTS

ZAINER RINEHART CLARKE

CERTIFIED PUBLIC ACCOUNTANTS • APC
AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

3510 UNOCAL PLACE, SUITE 350
SANTA ROSA, CALIFORNIA 95403
707 525.1183
707 525.0331 FAX
WWW.ZRCCPAS.COM

INDEPENDENT AUDITORS' REPORT

September 11, 2017

Derek Lilly, CEO
Amazing Kitchen Facelifts California, LP
Tucson, Arizona

Report on the Financial Statement

We have audited the accompanying Balance Sheet of Amazing Kitchen Facelifts California, LP as of August 8, 2017 and the related notes (the financial statement).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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,

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 statement referred to above presents fairly, in all material respects, the financial position of Amazing Kitchen Facelifts California, LP as of August 8, 2017, in accordance with accounting principles generally accepted in the United States of America.

Zainer Rinehart Clarke

Certified Public Accountants
A Professional Corporation

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

BALANCE SHEET
AUGUST 8, 2017

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	75,144
	$	75,144
LIABILITIES AND PARTNERS' CAPITAL		
COMMITMENTS	$	-
PARTNERS' CAPITAL		
Partners' capital		75,144
	$	75,144

AMAZING KITCHEN FACELIFTS CALIFORNIA, LP

NOTES TO FINANCIAL STATEMENTS
AUGUST 8, 2017

Note 1. Nature of business and significant accounting policies

a. Amazing Kitchen Facelifts California, LP, a California limited partnership, was formed on March 17, 2017 for the purposes of franchising its kitchen remodeling business in California. Amazing Kitchen Facelifts California, LP is owned by its majority limited partner, Amazing Kitchen Facelifts USA, LP and by its minority and general partner, Amazing Kitchen Facelifts California GP, Inc.

   The shareholders of Amazing Kitchen Facelifts California GP, Inc. and the partners of Amazing Kitchen Facelifts USA, LP and Amazing Kitchen Facelifts California, LP are the same individuals.

b. The Company considers all highly liquid debt instruments with original maturities of three months or less, when purchased, to be cash equivalents.

c. The books and records of Amazing Kitchen Facelifts California, LP are maintained and these financial statements are prepared on the accrual basis of accounting.

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

Note 2. Related party transactions

On August 8, 2017 the Company received a capital contribution of $75,000 from its majority limited partner.

Note 3. Dependency on continued financing

The ability of the Company to continue as a going concern is dependent upon continued financing from its limited partner. Subsequent to year end the limited partner has represented that it will continue to finance the Company on an as needed basis.

Note 4. Subsequent events

In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Company has evaluated subsequent events through September 11, 2017, which is the date these financial statements were available to be issued. There are no material subsequent events requiring recognition or additional disclosure in these financial statements as of August 8, 2017.

Amazing Kitchen Facelifts USA, LP and Subsidiary

Consolidated Financial Report
December 31, 2017

CONTENTS

ZAINER RINEHART CLARKE
CERTIFIED PUBLIC ACCOUNTANTS • APC
AN INDEPENDENT MEMBER OF DFK INTERNATIONAL
Santa Rosa • St. Helena • Sonoma

3510 UNOCAL PLACE, SUITE 350
SANTA ROSA, CALIFORNIA 95403
707 525.1163
707 525.0331 FAX
WWW.ZRCCPAS.COM

INDEPENDENT AUDITORS' REPORT

April 17, 2018

Partners
Amazing Kitchen Facelifts USA, LP and Subsidiary
Tucson, Arizona

Report on the Financial Statement

We have audited the accompanying consolidated financial statements of Amazing Kitchen Facelifts USA, LP and Subsidiary which comprise the Balance Sheet as of December 31, 2017 and the related Statements of Operations, Changes in Partners' Capital and Cash Flows for the nine months then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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,

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 statement referred to above presents fairly, in all material respects, the financial position of Amazing Kitchen Facelifts USA, LP and Subsidiary as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Zainer Rinehart Clarke

Certified Public Accountants
A Professional Corporation

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2017

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	168,473
Accounts receivable		50,100
Total current assets		218,573
OFFICE EQUIPMENT		2,604
	$	221,177
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Accounts payable	$	97,522
Total current liabilities		97,522
PARTNERS' CAPITAL		
Partners' capital		104,007
Non-controlling interest in Amazing Kitchen Facelifts CA, LP		19,648
Total partners' capital		123,655
	$	221,177

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

FRANCHISE REVENUE	$	50,000
OPERATING EXPENSES		
Outside consultants		170,308
Franchise fee		37,500
Advertising, marketing and promotions		32,213
Legal fees		48,531
Travel		14,909
Training costs		11,121
Office		5,908
Trade shows		4,204
Other		1,751
Total operating expenses		326,445
LOSS FROM OPERATIONS		(276,445)
GAIN ON SALE OF PARTNERSHIP INTEREST		224,106
NET LOSS		(52,339)
Net loss attributable to the non-controlling interest		6,346
NET LOSS ATTRIBUTABLE TO AMAZING KITCHEN USA, LP	$	(45,993)

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' CAPITAL
NINE MONTHS ENDED DECEMBER 31, 2017

	Partners' capital	Non-controlling interest	Total partners' capital
BALANCE, March 16, 2017	$ -	$ -	$ -
CONTRIBUTIONS	150,000	25,994	175,994
NET LOSS	(45,993)	(6,346)	(52,339)
BALANCE, December 31, 2017	$ 104,007	$ 19,648	$ 123,655

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(45,993)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Net loss from non-controlling interest		(6,346)
Gain on sale of partnership interest		(224,106)
(Increase) decrease in accounts receivable		(50,100)
Increase (decrease) in accounts payable		97,522
NET CASH (USED IN) OPERATING ACTIVITIES		(229,023)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment		(2,604)
Proceeds from sale of partnership interest		250,000
NET CASH PROVIDED BY INVESTING ACTIVITIES		247,396
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions		150,100
NET CASH PROVIDED BY FINANCING ACTIVITIES		150,100
NET INCREASE IN CASH		168,473
CASH AND CASH EQUIVALENTS, beginning of year		-
CASH AND CASH EQUIVALENTS, end of year	$	168,473

Note 1. Nature of business and significant accounting policies

a. Amazing Kitchen Facelifts USA, LP, a Delaware limited partnership was formed on March 16, 2017. The Company is owned by its majority limited partner, Amazing Kitchen Facelifts USA in NZ LP and by its minority and general partner, Amazing Kitchen Facelifts USA GP, Inc. The Company serves as the master franchisor for its kitchen remodeling business in the United States. Under a franchise agreement, the Company granted its subsidiary, the master franchisee, the right to operate the franchise business within California.

   Amazing Kitchen Facelifts California, LP is owned by its majority limited partner, Amazing Kitchen Facelifts USA, LP, its minority limited partner and by its minority and general partner, Amazing Kitchen Facelifts California GP, Inc.

   The shareholders of Amazing Kitchen Facelifts USA GP, Inc. and Amazing Kitchen Facelifts California GP, Inc. and the majority partners in Amazing Kitchen Facelifts USA, LP and Amazing Kitchen Facelifts California, LP are the same individuals.

b. The Company considers all highly liquid debt instruments with original maturities of three months or less, when purchased, to be cash equivalents.

c. The books and records of Amazing Kitchen Facelifts USA, LP and Subsidiary are maintained, and these financial statements are prepared on the accrual basis of accounting.

d. The consolidated financial statements include the accounts of Amazing Kitchen Facelifts USA, LP and its subsidiary, Amazing Kitchen Facelifts California, LP. All material intercompany transactions have been eliminated.

e. The Company is not an income tax paying entity for federal or state income tax purposes; therefore, no income tax expense has been recorded in the financial statements. Income from the Company is taxed to the partners on their individual income tax returns.

f. The Company's policy is to reflect interest and penalties related to uncertain tax positions as part of income tax expense, when and if they become applicable.

Note 1. (Cont.) Nature of business and significant accounting policies

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

Note 2. Related party transactions

On August 8, 2017 the Company received a capital contribution of $150,000 from Amazing Kitchen Facelifts USA in NZ LP.

In November 2017, the Company entered into an option agreement with two investors. The agreement provides for the sale of specific interests in Amazing Kitchen Facelifts California LP on specific dates during 2018 and 2019 at set prices. In November 2017, the first option was exercised, and a 12.5% interest was assigned to the two investors for $250,000. Outstanding options under the agreement as of December 31, 2017 provide for the sale of an additional 82.5% interest for a total of $1,650,000.

Effective December 2017 Amazing Kitchen Facelifts CA LP signed a ten-year franchise sales agreement. Terms of the agreement include a $50,000 initial franchise fee and monthly royalty fees thereafter based on 6.0% of franchise revenue which is subject to change based on certain requirements being met. Terms also include monthly fees for technology, marketing and other fees as applicable to be paid monthly.

Under a fifteen-year franchise agreement, the limited partner has granted the Company the right to use its franchise system to operate in the United States. As consideration for this right, the Company will pay 15% of all gross revenue received from any and all aspects of the operation.

A partner provides consulting services to the Company. There is no formal agreement however fees for services are $5,000 per month. Consulting fees were $5,000 for the nine months ended December 31, 2017.

Another partner provides consulting services to the Company. There is no formal agreement and fees for services vary. Consulting fees were $63,963 for the nine months ended December 31, 2017.

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 3. Dependency on continued financing

The ability of the Company to continue as a going concern is dependent upon continued financing from its majority limited partner. Subsequent to year end the majority limited partner has represented that it will continue to finance the Company on as needed basis.

Note 4. Provisions for taxes

The Company is subject to a minimum annual California franchise fee of $800.

The Company is also subject to "Accounting for Uncertainty in Income Taxes" under Accounting Standards Codification (ASC) 740 Income Taxes. The ASC requires the evaluation of tax positions taken or expected to be taken in the Company's tax returns and does not allow recognition of tax positions which do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. The Company does not believe it has taken any tax positions that would not meet this threshold.

The Company's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have a three-year statute of limitations, and the state income tax returns have a four-year statute of limitations.

Note 5. Subsequent events

Effective March 1, 2018, the Company sold an additional 12.5% of its interest in Amazing Kitchen Facelifts USA, LP to two investors for $250,000.

Subsequent to year end the Company changed its name to EGL USA, LP.

In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Company has evaluated subsequent events through April 17, 2018 which is the date these financial statements were available to be issued. There are no material subsequent events requiring recognition or additional disclosure in these financial statements as of December 31, 2017.

Amazing Kitchen Facelifts USA, LP and Subsidiary

Consolidated Financial Report

August 8, 2017

CONTENTS

ZAINER RINEHART CLARKE

CERTIFIED PUBLIC ACCOUNTANTS • APC
AN INDEPENDENT MEMBER OF DFK INTERNATIONAL

3510 UNOCAL PLACE, SUITE 350
SANTA ROSA, CALIFORNIA 95403
707 525.1163
707 525.0331 FAX
WWW.ZRCCPAS.COM

INDEPENDENT AUDITORS' REPORT

September 11, 2017

Derek Lilly, CEO
Amazing Kitchen Facelifts USA, LP and Subsidiary
Tucson, Arizona

Report on the Financial Statement

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Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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,

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 statement referred to above presents fairly, in all material respects, the financial position of Amazing Kitchen Facelifts USA, LP and Subsidiary as of August 8, 2017, in accordance with accounting principles generally accepted in the United States of America.

Zaimu Rinehart Clarke

Certified Public Accountants
A Professional Corporation

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

CONSLIDATED BALANCE SHEET
AUGUST 8, 2017

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	150,255
	$	150,255
LIABILITIES AND PARTNERS' CAPITAL		
COMMITMENTS	$	-
PARTNERS' CAPITAL		
Partners' capital		150,255
	$	150,255

The accompanying notes are an integral part of this financial statement.

AMAZING KITCHEN FACELIFTS USA, LP AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 8, 2017

Note 1. Nature of business and significant accounting policies

a. Amazing Kitchen Facelifts USA, LP, a Delaware limited partnership, was formed on March 16, 2017. The Company is owned by its majority limited partner, Amazing Kitchen Facelifts USA in NZ LP and by its minority and general partner, Amazing Kitchen Facelifts USA GP, Inc. The Company serves as the master franchisor for its kitchen remodeling business in the United States.

   Amazing Kitchen Facelifts California, LP is owned by its majority limited partner, Amazing Kitchen Facelifts USA, LP and by its minority and general partner, Amazing Kitchen Facelifts California GP, Inc. The Company serves as the franchisor for its kitchen remodeling business in California.

   The shareholders of Amazing Kitchen Facelifts USA GP, Inc. and Amazing Kitchen Facelifts California GP, Inc. and the partners in Amazing Kitchen Facelifts USA, LP and Amazing Kitchen Facelifts California, LP are the same individuals.

b. The Company considers all highly liquid debt instruments with original maturities of three months or less, when purchased, to be cash equivalents.

c. The books and records of Amazing Kitchen Facelifts USA, LP and Subsidiary are maintained and these financial statements are prepared on the accrual basis of accounting.

d. The consolidated financial statements include the accounts of Amazing Kitchen Facelifts USA, LP and its subsidiary, Amazing Kitchen Facelifts California, LP. All material intercompany transactions have been eliminated.

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

Note 2. Related party transactions

On August 8, 2017 the Company received a capital contribution of $150,000 from Amazing Kitchen Facelifts USA in NZ LP. On that same day, the Company contributed $75,000 to Amazing Kitchen Facelifts California, LP.

Note 3. Dependency on continued financing

The ability of the Company to continue as a going concern is dependent upon continued financing from its majority limited partner. Subsequent to year end the majority limited partner has represented that it will continue to finance the Company on as needed basis.

Note 4. Subsequent events

In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Company has evaluated subsequent events through September 11, 2017, which is the date these financial statements were available to be issued. There are no material subsequent events requiring recognition or additional disclosure in these financial statements as of August 8, 2017.

EXHIBIT D
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California Department of Business Oversight
TOLL FREE 1-(866) 275-2677

Los Angeles Office
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office
1515 K Street, Suite 200
Sacramento, CA 95814-4052
(866) 275-2677

San Diego Office
1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office
One Sansome St., #600
San Francisco, CA 94104
(415) 972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

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

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

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

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

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-6328

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
Attention: Barbara Lasoff
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8236

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-291

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Rhode Island Division Of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota Department of Revenue and
Regulation
445 East Capitol Avenue
Pierre, SD 57501-2017
(605) 773-5953

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

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

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

EXHIBIT E
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

<u>LIST OF AGENTS FOR SERVICE OF PROCESS</u>

AGENTS FOR SERVICE OF PROCESS

EGL California, LP
Attn: Derek Lilly
5210 E. Pima St
Tucson, AZ 85712

California Commissioner of the Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of Corporations of the Department of Business Oversight
One Sansome St., #600
San Francisco, California 94104
(415) 972-8559

Commissioner of Corporations of the Department of Business Oversight
1515 K Street., Suite 200
Sacramento, CA 95814

Commissioner of Securities of the State of HI
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054
6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

New York Department of State
Attention: UCC
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473 2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director of Rhode Island
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501

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

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

EXHIBIT F
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

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

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF CORPORATIONS PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

Neither we nor any person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in that association or exchange.

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

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

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

THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF ARIZONA AND A FORUM IN ARIZONA. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

The Franchise Agreement requires the parties to resolve their disputes through non-binding mediation and, if necessary, litigation. The mediation and litigation will occur in Arizona and you must reimburse Franchisor for its costs if it prevails in any litigation proceeding. 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 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 liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Regarding our website, www.AmazingKitchenFacelifts.com please note the following:

> OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

EGL CALIFORNIA, LP

By: ___________________________________
Derek Lilly, CEO of General Partner

FRANCHISEE (IF AN INDIVIDUAL)

____
Signature

____
Print Name

OR (IF FRANCHISEE IS A BUSINESS ENTITY)

____
NAME OF FRANCHISEE ENTITY

By: ________________________________
Signature

Print Name: __________________________

Title: _______________________________

EXHIBIT G
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF ISSUE DATE OF DISCLOSURE DOCUMENT

1. Kimabi, Inc.
   9279 Cabot Drive
   San Diego, California 92126
   len@eatgatherlove.com
   (858) 449-9527

EXHIBIT H
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES

NONE

EXHIBIT I
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE AGREEMENT

SAMPLE RELEASE AGREEMENT

In consideration for the consent of EGL California, LP (the "Franchisor"), to the assignment by ____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated __________________ (the "Franchise Agreement"), Franchisee hereby remises, releases, and forever discharges Franchisor, its officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature, including but not limited to those arising out of or existing under the Franchise Agreement, the offer and sale of the EATGATHERLOVE franchised business described therein, and out of the franchise relationship between the parties hereto, whether in law or in equity, from the beginning of time to the date hereof. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____ day of ___________________, 20____

FRANCHISEE:

By: ____

Print Name:_____________________________________

By: ____

Print Name:_____________________________________

EXHIBIT J
TO
EGL CALIFORNIA, LP
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT (OUR COPY)

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

If EGL California, LP offers you a franchise, it must provide this disclosure document to you fourteen (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 or grant.

New York and Rhode Island require that EGL California, LP give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If EGL California, LP does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and your State Administrator listed in Exhibit D to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit E.

I have received a Franchise Disclosure Document with an issue date of April 20, 2018, which contained the following Exhibits:

A: Franchise Agreement	F: State Specific Addenda
B: Operations Manual Table of Contents	G: List of Franchises
C: Financial Statements	H: List of Former Franchisees
D: List of State Administrators	I: Sample Release Agreement
E: List of Agents for Service of Process	J: Receipts

The name, principal business address and telephone number of each franchise seller offering the franchise Derek Lilly, c/o EGL California, LP, 5210 E. Pima Street, (833) 253-8721; Richard Prout, c/o EGL California, LP, 5210 E. Pima Street, (833) 253-8721; Dan Bish, c/o EGL California, LP, 5210 E. Pima Street, (833) 253-8721

If an individual:

By: ________________________________

Name: ______________________________

Telephone Number: ____________________

Date: _______________________________

If a Partnership, Corporation or Limited Liability Corporation:

Name: ____________________________________

Title: _____________________________________

Name of Entity: ____________________________

Telephone Number: __________________________

Date: _____________________________________

RECEIPT (YOUR COPY)

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

If EGL California, LP offers you a franchise, it must provide this disclosure document to you fourteen (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 or grant.

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If an individual:

By: ______________________________

Name: ____________________________

Telephone Number: __________________

Date: _____________________________

If a Partnership, Corporation or Limited Liability Corporation:

Name: ____________________________________

Title: _____________________________________

Name of Entity: _____________________________

Telephone Number: __________________________

Date: _____________________________________