FRANCHISE DISCLOSURE DOCUMENT

Jewelry Repair Enterprises, Inc.
a Pennsylvania Corporation
6413 Congress Avenue, Suite 240
Boca Raton, Florida 33487
(800) 359-0407
franchisesales@fastfixfranchise.com
www.fastfix.com

As a Fast-Fix Jewelry and Watch Repairs® ("FAST-FIX") franchisee, you will operate a service center that sells jewelry and watch repair services, and jewelry and watch products, at a kiosk or in-line store in a shopping mall or other retail location.

The total investment necessary to begin operation of a FAST-FIX franchised business is $115,111 to $222,931 for a kiosk, $178,111 to $357,931 for an in-line store, and $83,111 to $147,931 for a store-in-store location. This includes $20,412 to $23,231 that must be paid to us or our affiliates.

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 document.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact Fadi Esmail at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, fesmail@fastfixfranchise.com, (800) 359-0407 or (561) 330-6060.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this 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. 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 in franchising.

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

Issuance Date: June 1, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Florida. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Florida than in your own state.

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

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

4. **Mandatory Minimum Payments**. You must make mandatory minimum royalty, advertising or other payments regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

MICHIGAN NOTICE

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

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

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

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

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

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

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

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

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

The fact that there is a notice of this offer on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

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

To simplify the language in this disclosure document, "we," "us" and "our" refer to Jewelry Repair Enterprises, Inc., the franchisor. "You" and "your" means the person who buys the franchise, the franchisee. If the purchaser of the franchise is a partnership, corporation, limited liability company, or other entity, "you" includes the franchisee's owners, who must join, and agree to be bound by, the contracts listed in Item 22 of this disclosure document.

All initially capitalized terms appearing in this disclosure document have the meanings given to them in your Franchise Agreement, unless otherwise noted.

Franchisor

We are a Pennsylvania corporation that was incorporated on October 14, 1986. We franchise businesses operating throughout the United States under the names "Fast-Fix Jewelry Repairs" and "Fast-Fix Jewelry and Watch Repairs." Our principal place of business is located at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, and our agents for service of process are set forth in Exhibit A to this disclosure document.

Parents, Predecessors, and Affiliates

On October 31, 2012, our immediate parent, JRE Holdings, Inc., a Florida corporation ("JRE Holdings"), acquired all of our issued and outstanding shares. Certain members of our management have an ownership interest in JRE Holdings. JRE Holdings' principal business address is 1515 Sunset Drive, Suite 32, Miami, Florida 33143. It engages in no other business activities and has never offered franchises.

On March 14, 2018, another parent, DK-JRE, LLC, a Florida limited liability company ("DK-JRE"), acquired all of issued and outstanding shares of JRE Holdings and its subsidiaries. DK-JRE's principal business address is 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487. It engages in no other business activities and has never offered franchises.

We have no predecessors.

JRE Franchising, Inc. ("JREF"), an affiliate and our wholly-owned subsidiary, was incorporated on February 20, 2004. JREF's principal place of business is 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487. This affiliate has been engaged in franchising jewelry repair businesses in Ireland since February 2004. On December 31, 2021, JREF had 6 franchised FAST-FIX locations in Ireland.

Franchisor's Business and the Franchises Offered

Since October 14, 1986, we have offered franchises for the operation of a business specializing in jewelry and watch repair and retail jewelry sales (each a "FAST-FIX Service Center") utilizing our proprietary methodology for operating a FAST-FIX Service Center, including specific standards and procedures and the Marks (defined in Item 13), all of which may be improved, further developed, or otherwise modified (the "System"). We initiated the concept in 1984 with a single FAST-FIX Service Center located in an enclosed shopping mall in Pittsburgh, Pennsylvania. We have no business other than offering franchises and assisting franchisees. Neither our affiliates nor we have offered franchises in any other line of business. We do not conduct business under any other name.

FAST-FIX Service Centers specialize in offering a wide range of "while you shop" services including ring sizing, chain repair and replacement, remounting, engraving, eyeglass frame repair, watch and electronic device repair, and battery replacement as well as custom jewelry design and select gift, jewelry and watch retail product opportunities. These services and products are sold from kiosks or in-line stores

in major regional shopping malls and other high traffic venues. We are also granting franchises for FAST-FIX Service Centers located in larger retail stores. We call these store-in-store locations.

General Market

The market for our franchises is primarily the general public with a limited amount of services provided to other businesses, including jewelry stores. The overall business is generally not seasonal, but November and December are historically our franchisees' busiest months.

You may have competition from independent jewelry stores, independent jewelry and watch repair stores, wholesale jewelry marts and some larger department stores. However, to our knowledge, there are no other franchised businesses operating in malls or other retail locations which concentrate on jewelry and watch repairs and the sale and installation of watch batteries.

Industry Regulations

There are no regulations specific to the operation of jewelry and watch repair businesses. However, certain states have regulations governing the repair of electronic devices and eyeglass frame repair.

ITEM 2
BUSINESS EXPERIENCE

Director, President and Treasurer: Patrick A. Kuiper

Patrick Kuiper has been a member of our Board of Directors since March 2018, and has been our President and Treasurer since October 2021. Since July 2013, he has been and remains a Managing Director, General Partner, and Limited Partner of Pine Tree Equity Partners in Miami, Florida.

Director, Vice President and Secretary: Russell Cooper

Russell Cooper has been a member of our Board of Directors, and our Vice President and Secretary since October 2021. Since October 2016, he has been retired.

Director: Gregory Diem

Gregory Diem has been a member of our Board of Directors since March 2019. From March 2019 to August 2021, he was our President. From November 2012 to March 2019, he was a Managing Director, General Partner, and Limited Partner of Pine Tree Equity Partners in Miami, Florida.

CFO and Executive Vice President of Operations: Fadi Esmail

Fadi Esmail has been our CFO and Executive Vice President of Operations since January 2022. He was our Controller from October 2020 to December 2021. From July 2020 to October 2020, he was a Comptroller at The Umbrella Group in Fort Lauderdale, Florida. From December 2018 to May 2020, Fadi was an Audit Manager at Marcum, LLP in Fort Lauderdale, Florida. From September 2011 to November 2018, he was an Audit Manager at RSM US, LLP in Fort Lauderdale, Florida.

Regional Vice President, Operations: Linda Mossessian

Linda Mossessian has been our Regional Vice President, Operations since April 2020. From August 2019 to March 2020, she was a System Vice President for us. From January 2019 to July 2019, Linda was

a Development Officer for American University of Armenia in Oakland, California. From April 2016 to January 2019, she was the West Coast Sales Manager for Michael Aram Inc. in Los Angeles, California.

Vice President, Marketing & Business Development: Maria Del Moral

Maria Del Moral has been our Vice President, Marketing & Business Development since October 2021. From July 2019 to October 2021, she was our Marketing Manager. From August 2014 to July 2019, Maria was a Business Developer and Junior Consultant for The Bold Mind Group in Boca Raton, Florida.

Office Manager and Franchise Administrator: Anita Briggs

Anita Briggs has been our Office Manager and Franchise Administrator since July 2022. From March 2022 to June 2022, she was not employed. From February 2019 to February 2022, Anita was a Legal Assistant with Unified Women's Healthcare in Boca Raton, Florida. From December 2017 to February 2019, she was an independent contractor, providing administrative and legal assistant services in the Boca Raton, Delray Beach and Boynton Beach, Florida areas.

Regional Vice President, Operations: Anna Heebner

Anna Heebner has been our Regional Vice President, Operations since March 2023, previously serving as our Operations Manager from February 2022 to March 2023. From February 2021 to February 2022, she was an Account Manager with 1st Mile in Tampa, Florida. From May 2018 to February 2021, Anna was a District Director for Home Credit in Tampa, Florida. From September 2014 to May 2018, she was a District Director for Signet Jewelers in Tampa, Florida.

ITEM 3
LITIGATION

Pending Actions

None

Concluded Actions

(1) R & M Gadel, Inc. v. Jewelry Repair Enterprises, Inc., Circuit Court of Fifteenth Judicial Circuit, Palm Beach County, Florida, Case No. 2014 CA 003295AG; R & M Gadel, Inc. v. Jewelry Repair Enterprises, Inc., American Arbitration Association, Case No. 01-14-001-8149. On March 18, 2014, R & M Gadel, Inc. ("Gadel"), the franchisee under Northlake Mall and Mall of Georgia franchise agreements, filed a complaint against us alleging: that Gadel attempted to transfer the Northlake Mall franchise to a 3rd party, but that we improperly refused to consent to the transfer; that Gadel transferred the Mall of Georgia franchise to a 3rd party, MVP Elite, Inc. (the plaintiff in another action referenced below), and that after we consented to the transfer, we demanded a different agreement with the transferee; and that we issued a termination letter in July 2013 for the Northlake Mall franchise based on the attempted transfer referenced above. Gadel sought damages of $200,000, declaratory relief, injunctive relief, specific performance, attorneys' fees, interest, and costs. We filed a motion to stay the action and compel arbitration, and the court granted the motion on October 10, 2014. On October 27, 2014, Gadel initiated arbitration with the American Arbitration Association based on the same claims. We denied any wrongdoing. On March 15, 2016, we entered into a settlement agreement with Gadel and its owner, Moshiyakh R. Gadelov. Under the settlement agreement, without any party admitting liability, we agreed

to pay Gadel $175,000, Gadel agreed to dismiss the court action and arbitration, and the parties exchanged mutual releases. The court action and arbitration were dismissed on or about March 16, 2016.

(2) MVP Elite, Inc. and Vladislav R. Gadelov v. Jewelry Repair Enterprises, Inc., Circuit Court of Fifteenth Judicial Circuit, Palm Beach County, Florida, Case No. 2014 CA 003330AG. On March 18, 2014, MVP Elite, Inc. ("MVP") and Vladislav R. Gadelov ("Gadelov"), plaintiffs, filed a complaint against us alleging that, after we consented to transfer of a Mall of Georgia franchise from R & M Gadel, Inc. to MVP, MVP executed a modified franchise agreement dated July 2013 and began operating the Mall of Georgia franchise. Plaintiffs further alleged that we refused to accept the modified franchise agreement, asked MVP to execute our then-current form of franchise agreement, and refused to agree to arbitration. Plaintiffs sought unspecified damages, injunctive relief, specific performance, declaratory relief, attorneys' fees, interest, and costs. On October 16, 2014, plaintiffs filed an amended complaint. We denied any wrongdoing. On August 12, 2015, we, MVP and Gadelov entered into a settlement agreement. Under the settlement agreement, without any party admitting liability, we agreed to pay MVP $28,457, MVP and Gadelov agreed to dismiss the action with prejudice, and the parties exchanged mutual releases. This court action was dismissed on February 11, 2016.

(3) In the Matter of the Commissioner of Business Oversight v. Jewelry Repair Enterprises, Inc., Department of Business Oversight of the State of California, Fil Org Id: 84603. In September 2015, the Commissioner of Business Oversight of the State of California (the "Commissioner") issued a citation for alleged violations of the California Franchise Investment Law (California Corporations Code § 31150) (the "Code"). According to the citation, we failed to maintain all franchise records required to be maintained under the Code. The Commissioner specifically noted that we had not maintained copies of 16 Item 23 FDD receipts. In a stipulation that we signed on September 2, 2015, we agreed to the finality of the citation. Without admitting or denying the findings in the citation, we agreed to pay a $32,000 administrative penalty and $8,000 in attorneys' fees, agreed to the appointment of a monitor to assist us in implementing recordkeeping procedures, and agreed to provide training to our directors, officers and managers in franchise sales compliance matters. On December 16, 2015, we received confirmation that we had fulfilled these terms of the stipulation. The stipulation orders us to maintain franchise records in compliance with the Code.

(4) Liphan A. Lee and PAO, Inc. v. Jewelry Repair Enterprises, Inc. and Tim W. Pao, Superior Court of California, County of Los Angeles, Case No. BC485882, removed to the United States District Court for the Central District of California, Case No. 12-cv-06754-DMG-VBK. Liphan A. Lee and PAO, Inc. v. Jewelry Repair Enterprises, Inc., Superior Court of California, County of Los Angeles, Case No. BC530276, removed to the United States District Court for the Central District of California, Case No. 2:14-cv-00534 RGK-CW. On June 4, 2012, Liphan A. Lee ("Lee") and PAO, Inc., plaintiffs, filed an action against us and Tim W. Pao ("Pao"), a former owner of PAO, related to Lee's purchase of a FAST-FIX Service Center from Pao in 2009. Plaintiffs alleged fraud, fraud in the inducement, breach of contract, intentional misrepresentation, negligent misrepresentation, and unfair business practices in violation of California Business and Professions Code §1720. Plaintiffs sought damages of $1,150,000, punitive damages of $3,000,000, restitution, rescission, injunctive relief, attorneys' fees, interest, and costs. The Superior Court action was removed to the U.S. District Court for the Central District of California on August 3, 2012, and was dismissed on October 2, 2012. The U.S. District Court action was dismissed on March 1, 2013. On December 13, 2013, plaintiffs filed a second Superior Court action against us, making essentially the same allegations as those in the first Superior Court action. The second Superior Court action was removed to the U.S. District Court, Central District of California, on January 23, 2014, and was dismissed on May 28, 2014. In the second U.S. District Court action, we filed affirmative defenses and a counterclaim, alleging

plaintiffs' breach of their franchise agreement and seeking contractual indemnity under the sublease between us and plaintiffs. On November 10, 2014, we, PAO, plaintiffs and Lee's bankruptcy trustee entered into a settlement agreement. Under the settlement agreement, without any party admitting liability, we agreed to pay $100,000 to Lee's bankruptcy trustee and $50,000 to PAO, Lee agreed to withdraw a complaint he had filed with the California Department of Business Oversight, the parties agreed to dismiss the second U.S. District Court action, and the parties exchanged mutual releases. The settlement was approved by the bankruptcy court on December 17, 2014, and the second U.S. District Court action was dismissed on January 2, 2015.

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

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

The initial franchise fee ("Initial Franchise Fee") for a kiosk, an in-line store or a store-in-store location is $20,000. The Initial Franchise Fee is due when you sign your Franchise Agreement, is fully earned when we receive it, is not refundable, and is uniform except as described below.

To encourage multiple FAST-FIX Service Center development, for each additional FAST-FIX franchise that you open and as long as at the time of opening you are not in default under your Franchise Agreement or any other agreement with us, you will receive a discount of $5,000 from the then-current initial franchise fee. If, however, any of your FAST-FIX franchises are sold within 6 months of your receipt of any discount, you must immediately return to us the $5,000 discount by wire transfer or cashier's check as a condition of the sale of its existing location.

Lease Negotiation

If you enter into a lease ("Lease) for a FAST-FIX Service Center directly with a landlord, you may retain a real estate attorney to review and negotiate your Lease, or, if you request our assistance in writing, we will assist you in reviewing the Lease (including any renewal of the Lease) and negotiating with your landlord. You must reimburse us for our costs and expenses promptly on our written request. Our costs and expenses for reviewing and negotiating Leases range from $0 to $2,700, depending on the unique characteristics of each transaction, such as geographic location and complexity of the documents.

If you are an existing franchisee that currently has a sublease with us for your FAST-FIX Service Center, you must use your best efforts to secure a new Lease directly with the landlord leasing the FAST-FIX Service Center to us. If you are operating a store-in-store location, we will require you to enter into a sublease or sublicense agreement, as applicable (the "Sublease"). If we require you to enter into a Sublease, you must reimburse us for our costs and expenses for reviewing and negotiating the lease (the "Master Lease") (or any renewal thereof) for the FAST-FIX Service Center between us and the landlord (the "Landlord") promptly on our written request.

The lease negotiation fee is fully earned when we receive it, and is not refundable under any circumstances.

In 2022, we collected no lease negotiation fees from franchisees.

IFA VetFran Program

We are a member of the International Franchise Association (the "IFA") and participate in the IFA's VetFran Program, a program that provides financial incentives to veterans of the United States Armed Forces to encourage franchise ownership. In order to qualify and participate in our VetFran Program, a United States veteran must possess a DD Form 214 document, be new to the Fast-Fix System, own a majority interest in your franchised business, and otherwise meet the requirements of our VetFran Program ("VetFran Participant"). If you are a VetFran Participant, we will offer you a 50% discount on the initial franchise fee. This fee is fully earned when we receive it and is not refundable under any circumstances. In 2022, we sold no franchises to VetFran Participants.

ITEM 6
OTHER FEES

Type of fee[1]	Amount	Due date	Remarks
Royalty Fee	6% of monthly Gross Sales[2], subject to an annual minimum	On or before the 10th day of each month for the preceding month	Minimum $14,400 per year starting 2nd full calendar year after opening of your franchised business for in-line stores and kiosks. You must pay us the difference if your actual Royalty Fees are lower than the minimum for any year. There are no minimum Royalty Fees for a store-in-store location.
Local Advertising	2% of monthly Gross Sales[2]	At your discretion over the course of the month	Each month, you must spend at least 2% of your monthly Gross Sales on local advertising. You must pay us the difference if your actual local advertising expenditures are less than 2% of your monthly Gross Sales. If an advertising cooperative is established in your area, you must participate, and any amounts you contribute to the advertising cooperative will count towards your 2% monthly local advertising requirement.[3] If a national advertising fund is established, you must participate, and your monthly local advertising requirement will be reduced to 1% of monthly Gross Sales.

Type of fee[1]	Amount	Due date	Remarks
Franchise Advertising Program (FAP)	The standard costs for FAP materials or visuals is currently $150 per month (kiosk or store-in-store location), or $175 per month (in-line store)	On or before the 10th day of each month	The FAP fee is in addition to your minimum required local advertising expenditures.
National Advertising Fund	Up to 2% of Gross Sales[2]	On or before the 10th day of each month	If a national advertising fund is established, you must participate.
National convention registration fee (per person)[4]	Estimated proportionate share of our out-of-pocket costs for hosting, meals, and convention activities (about $400)	Before national convention	We generally hold national conventions every other year. You and/or your designated personnel must attend the full program of, and stay at the designated hotel of, each national convention. You must pay travel and incidental expenses for yourself and/or your personnel who attend.
National convention hotel fee[4]	Estimated room charge, taxes and fees for 1 room at convention hotel during national convention dates (about $400)	Before national convention	The hotel fee is for 1 room during the convention dates. You must pay for any additional rooms, and for travel and incidental expenses for yourself and/or your personnel that are not covered by the hotel fee.
National convention fee deposits[5]	Currently $134 per month	On or before the 10th day of each month	The national convention fee deposits will be applied to your national convention registration and hotel fees. The deposits are subject to change after at least 15 days' notice to you.
Renewal Fee	50% of the then-current initial franchise fee under the successor franchise agreement	No later than 30 days before renewal	If you want to enter into a successor franchise agreement, you must obtain our consent and satisfy certain conditions, including paying us a fee. This renewal fee payment replaces the initial franchise fee due under your Franchise Agreement.

Type of fee[1]	Amount	Due date	Remarks
Transfer Fee	Currently $5,000, plus our then-current fee for required training (currently $7,500)	Before we consent to the transfer	If you want to transfer your franchise, you must obtain our consent and satisfy certain conditions.
Indemnification	Amount of actions, judgments, damages, liabilities, losses, costs and expenses (including attorneys' fees)	As incurred	You must indemnify us from any actions, judgments, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) to which we become subject or that we incur arising from your ownership or operation of your franchised business.
Review of Unapproved Suppliers	Cost of testing (estimated at about $250 - $500 excluding samples)	On delivery of invoice	This covers our cost of testing new products or inspecting new suppliers you propose.
Special Assistance	Actual travel, hotel and incidental expenses, together with our standard fee, which is currently $1,000 per person per day	On delivery of invoice	If you request, we will, to the extent our staff is available, make personal visits to address specific issues.
Audit	Amounts due in connection with any understated amount, plus interest, and expenses connected with the audit, which are currently about $500 - $1,000 and actual cost for hiring a certified public accountant if statements are not certified	On delivery of invoice	If any audit indicates an understatement of Royalty Fees or required local advertising expenditures, you must reimburse us this amount. If the understatement is 2% or more, you must also reimburse us for the expenses connected with the audit and any required follow-up audit. If you do not deliver to us an Annual Statement of Gross Sales and Operating Costs within 45 days after the end of a calendar year, you will pay us the costs to audit your Gross Sales for the calendar year.

Type of fee[1]	Amount	Due date	Remarks
Interest on Late Payments	18% per annum; or maximum rate permitted by law	On demand	Imposed if any payment you owe us is overdue
Late Payment Fee	$50	On demand	Imposed if any payment you owe us is more than 10 days overdue
Liquidated Damages[6]	See Note 4	On termination of your Franchise Agreement	See Note 4
New Location Fee, if dislocated	All actual costs related to relocating, including our direct costs, which are currently about $5,000 - $7,500	On delivery of invoice	If you operate an in-line store or kiosk and become dislocated from the FAST-FIX Service Center before the expiration of the term and you satisfy certain conditions, we will assist you in locating a new site for your franchised business. If you operate a store-in-store location and become dislocated before the expiration of the term, and if you satisfy certain conditions, we may, but are not required, to assist you in locating a new site for your franchised business. You are responsible for all costs related to relocating, including our direct costs in approving a new location (such as site selection and/or negotiations, travel expenses, legal and accounting expenses and other out-of-pocket expenses).
Renovation, Remodeling or Replacement	All actual costs related to renovation, remodeling or replacement, which are currently about $30,000-$120,000	On delivery of invoice (before project start)	We or the Landlord may periodically require renovation, remodeling or replacement of your franchised business.
Inspections and Correcting Deficiencies	$1,000 per day	On delivery of invoice	

Type of fee[1]	Amount	Due date	Remarks
Priority Security Interest	All filing fees and costs	On delivery of invoice	You must pay all filing fees and costs for perfecting our security interest.
Reimbursement for our costs associated with removing or changing signs and colors of the FAST-FIX Service Center	All related expenses	On delivery of invoice	On termination or expiration of your Franchise Agreement, you must immediately make removals or changes in signs and colors of the FAST-FIX Service Center as we reasonably request so as to distinguish effectively the FAST-FIX Service Center from its former appearance and from other FAST-FIX businesses. If you fail to make these changes, then we may enter on the FAST-FIX Service Center and make the changes at your expense, without being guilty of trespass or any other tort or criminal act.
Legal fees associated with Franchisee's failure to pay monies due to us	Varies	On demand	If we must engage legal counsel or other professionals in connection with any failure by you to pay when due any monies owed under your Franchise Agreement or submit when due any reports, information or supporting records, or in connection with any failure otherwise to comply with your Franchise Agreement, you must reimburse us for all of the costs and expenses (listed in Section 13.3 of Franchise Agreement) we incur, whether or not a legal action or other proceeding is initiated.
In event of death or incapacity	Varies	Within 30 days of invoice	You must reimburse us, within 30 days of invoice, for any reasonable expenses we incur in connection with any assistance that we do not deem assistance provided under other provisions in your Franchise Agreement.
Rent and additional charges due under Sublease[7]	All amounts due under the Sublease (varies)	On the 1st day of each month	You must pay us rent and additional charges (such as common area maintenance charges, taxes, insurance, utilities, percentage rent,

Type of fee[1]	Amount	Due date	Remarks
(store-in-store location only)			media charges, promotional charges, and HVAC charges) under a Sublease only for a store-in-store location.
Reimbursement for our costs and expenses associated with reviewing your lease and negotiating with your landlord	All expenses we incur	On written demand (within 5 days of receipt)	You must reimburse us for our reasonable expenses incurred in connection with our assistance in reviewing the Lease (including any renewal of the Lease) and negotiating with your landlord, on your prior written request.
Insurance Premiums	Amount of unpaid premiums, plus administrative fee	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you
Reimbursement for our costs associated with confirming the occurrence of discovering a default has occurred, confirming a default has been satisfactorily cured, or to assist or supervise the curing of any default by Franchisee under Sublease	All expenses we incur	On written demand (within 5 days of receipt)	If you sign a Sublease, you must pay us the amount of any expenses that we may incur in connection with curing any defaults by you.
POS System fees[8]	Currently $137 to $177 per month POS System support fee; $250 per day non-use fee	On or before the 10th day of each month	The POS System support fee is subject to adjustment periodically based on price increases and additional services provided. We collect the support fee, and pay it to the POS System suppliers (Lightspeed and Ikeono).

Explanatory Notes:

1 All fees are imposed by and payable to us. All fees are uniformly imposed and non-refundable. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

2 The term "Gross Sales" means the entire amount of the sales price of all goods, wares, merchandise or services sold or rendered from your franchised business (including all precious metal sales to refiners), whether for cash, charge, credit card or time-sale basis, without reserve or deduction for inability or failure to collect, including all orders for goods or services, whether by mail, telephone, internet or otherwise, and whether the orders will be filled from the FAST-FIX Service Center or elsewhere, so long as you in the normal course of business would attribute the orders or sales to your franchised business. The following are not included in Gross Sales:

(a) the amount of refunds, allowances or discounts to customers, provided the same had been previously included in Gross Sales and provided further that if the refunds, allowances or discounts are in the form of credits to customers, the credits will be included in Gross Sales when used by the customers in the future; and

(b) the amount of any excise or sales tax levied on retail sales and payable over to the appropriate governmental authority (but only to the extent actually paid when due to the appropriate governmental authority), provided that specific record is made at the time of each sale which clearly indicates that the amount is expressly charged to the customer.

3 FAST-FIX Service Centers operated in your area by us or our affiliates will participate in the advertising cooperative. Each FAST-FIX Service Center operating in your area, including FAST-FIX Service Centers operated in your area by us or our affiliates, will have one vote.

4 For each national convention, you must pay a registration fee, per person, and you must pay a hotel fee for 1 room during the convention dates. If your accrued national convention fee deposits are not sufficient to cover the registration and hotel fees, we have the right to debit your bank account for the difference. You will be responsible for your and your attendees' travel, hotel and incidental expenses that are not covered by the registration and hotel fees. We anticipate the registration fee to be about $400 per person, and the hotel fee to be about $400 for 1 room. A national convention typically lasts 3 to 4 days.

5 The national convention fee deposits will be applied to the national convention registration and hotel fees for the next national convention. If your accrued national convention fee deposits are not sufficient to cover the registration and hotel fees for a national convention, we have the right to debit your bank account for the difference. If you attend the full program of, and stay at the designated hotel of, the national convention, any remaining unused national convention fee deposits will roll over for the following national convention or, subject to our approval and in our business judgment, may be reimbursed or applied to other expenses associated with the national convention, including travel, additional hotel and incidental expenses. If you fail to attend the full program of, or fail to stay at the designated hotel of, the national convention, any accrued national convention fee deposits will be forfeited to us on the closing date of the national convention. If you are acquiring an existing FAST-FIX Service Center from a selling franchisee (transfer), we will transfer any of the selling franchisee's accrued national convention fee deposits as of the transfer closing date to your account. The selling franchisee may negotiate with you that this amount be reimbursed by you to the selling franchisee at the closing as an adjustment to the sales price. Any accrued national convention fee deposits will be forfeited on expiration, termination, or non-renewal of your Franchise Agreement, and/or the unauthorized closure of your FAST-FIX Service Center.

6 If we terminate your Franchise Agreement for cause, you must pay us a lump-sum payment equal to the total of Royalty Fees and minimum required advertising expenditures for a period determined as follows:

(a) if your franchised business has been in operation for 36 months or more at the time of default and more than 36 months remain in the term, the 36 calendar months of operation of your franchised business preceding your default;

(b) if your franchised business has been in operation for less than 36 months at the time of default, the period of time your franchised business has been in operation preceding your default, projected on a 36 calendar month basis, subject to our minimum annual royalty obligation noted above; or

(c) if your franchised business has been in operation for 36 months or more at the time of default and less than 36 months remain in the term, the period equal to the unexpired term at the time of your default using the greater of: the monthly average royalty payment for the preceding 36 month period, or the minimum annual royalty rate.

7 For a store-in-store location, the minimum rent per year based on total occupancy, including additional charges, is $18,000, plus overage rent (also called percentage rent) that is based on a stated percentage (generally 10%, more or less) of Gross Sales that are in excess of a stated minimum Gross Sales level.

8 Currently, the support fee is $137 per month for 1 POS register or $177 per month for 2 POS registers.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Kiosk

YOUR ESTIMATED INITIAL INVESTMENT				
Type of expenditure [1]	**Amount**	**Method of payment**	**When due**	**To whom payment is to be made**
Initial Franchise Fee[2]	$20,000	Lump Sum	Before opening your franchised business	Us
Kiosk[3]	$15,000 - $55,000	Lump Sum	Before opening your franchised business	Suppliers
Inventory, Equipment and Trade Fixtures	$45,000 - $60,000	Lump Sum	Before opening your franchised business	Suppliers
POS System Purchase[4]	$2,000	Lump Sum	Before opening your franchised business / Monthly	Supplier
POS System Support Fees[4]	$411 - $531	Lump Sum	Monthly	Us

Type of expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Initial Promotional and Advertising Expenses (including website program)	$5,000	Lump Sum	Before opening your franchised business	Various
Lease Negotiation Fee	$0 - $2,700	Lump Sum	Before opening your franchised business	Us
Initial Rent[5]	$5,000 - $18,000	Lump Sum	Before opening your franchised business	Landlord
Security Deposit[6]	$0 - $25,000	Lump Sum	Before opening your franchised business	Landlord
Utility Deposits	$350	Lump Sum	Before opening your franchised business	Utility Companies and other Third Parties
Professional Fees, Licensing and Permitting[7]	$4,000 - $6,000	As Incurred	Before opening your franchised business	Lawyers, Advisors, and Government Agencies
Insurance	$350	Lump Sum	Monthly	Insurance Agent
Travel, Hotel and Incidental Expenses for Initial Training	$3,000	As Incurred	Various	Various
Additional Funds (3 Months)[8]	$15,000 - $25,000	As Incurred	As Incurred	Employees, Suppliers, and Utility Companies
Total	**$115,111 – $222,931**[9]			

Explanatory Notes:

1 All fees are non-refundable after you accept the site for your franchised business and sign your Franchise Agreement. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

2 We describe the Initial Franchise Fee in Item 5. The standard Initial Franchise Fee is $20,000, but if you open multiple FAST-FIX Service Centers, the Initial Franchise Fee for the second and each additional FAST-FIX Service Center that you open is $15,000. If you qualify for the IFA VetFran Program, the Initial Franchise Fee is $10,000 for any FAST-FIX Service Center that you open.

3 The location of your franchised business is a kiosk in an enclosed shopping mall. The estimated cost for the kiosk includes building permits, architectural fees, real estate brokerage fees, signage, licenses, freight, delivery, installation and related fees. The actual costs for your kiosk will vary depending on numerous factors, including mall design criteria and materials, square footage, local code and ordinance requirements, and union labor assessments.

4 This amount includes an estimated cost of $2,000 payable to a supplier for the POS System, and support fees of $411 to $531 payable to us for a 3-month period ($137 to $177 per month).

5 This range represents estimated rent for a 3-month period based on total occupancy and includes additional charges such as common area maintenance fees. It is your responsibility to identify a suitable site for the kiosk within the Territory, which we must approve. We estimate that the site of the kiosk should occupy about 120 to 160 square feet of space. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas. Kiosks can be located in strip shopping centers, free-standing units, other venues in downtown commercial areas and in residential areas with high street visibility, as well as in Non-Traditional Sites (defined in Item 12 below). We anticipate you will enter into a lease for the site of the FAST-FIX Service Center directly from the landlord.

6 You may be required to pay your landlord a security deposit before your tenancy starts.

7 This range includes an estimate of the expenses you will incur for an attorney and other advisors to do the following: review and negotiate your Lease; prepare your organizational documents (if you are an entity); and to obtain business licenses and permits. We recommend you use the services of a real estate attorney to review your Lease. You may also request our assistance in reviewing and negotiating your Lease. This range also includes lease negotiation fees that you might pay to us to review and negotiate your Lease (or Master Lease, if any) on your request.

8 These represent an estimate of only the range of expenses net of revenue for your initial start-up phase, which is estimated to be three months from when you begin operating your franchised business. The additional funds you will need to operate during this phase include payroll, rent, utilities, professional fees, supplies, and other costs. These figures are estimates and we cannot guarantee that you will not incur additional expenses in starting your franchised business. The actual amount of additional funds you will need during the initial phase of operating will depend on certain factors, including: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products, the prevailing wage rate, competition and the sales level achieved during the initial period.

9 The estimates are of your expenses only, and do not reflect any offsetting sales revenue you may earn from operations to pay those expenses. The estimate of Additional Funds for 3 months shown on the table above is not an estimate of working capital that you will need, but relates only to certain (but not necessarily all) expenses for the 3-month period. We relied on our more than 36 years of experience in the jewelry repair business to complete these estimates. You should

review these figures carefully with a business advisor before making any decision to purchase the franchise.

In-line Store

YOUR ESTIMATED INITIAL INVESTMENT				
Type of expenditure [1]	**Amount**	**Method of payment**	**When due**	**To whom payment is to be made**
Initial Franchise Fee [2]	$20,000	Lump Sum	Before opening your franchised business	Us
In-Line Store[3]	$60,000 - $125,000	Lump Sum	Before opening your franchised business	Suppliers
Inventory, Equipment and Trade Fixtures	$40,000 - $100,000	Lump Sum	Before opening your franchised business	Suppliers
POS System Purchase[4]	$2,000	Lump Sum	Before opening your franchised business/ Monthly	Supplier
POS System Support Fees[4]	$411 - $531	Lump Sum	Monthly	Us
Initial Promotional and Advertising Expenses (including website program)	$6,000	Lump Sum	Before opening your franchised business	Various
Lease Negotiation Fee	$0 - $2,700	Lump Sum	Before opening your franchised business	Us
Initial Rent[5]	$9,000 - $22,000	Lump Sum	Before opening your franchised business	Landlord
Security Deposit[6]	$0 - $25,000	Lump Sum	Before opening your franchised business	Landlord
Utility Deposits	$350	Lump Sum	Before opening your franchised business	Utility Companies and other Third Parties

Type of expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Professional Fees, Licensing and Permitting[7]	$12,000 - $16,000	As Incurred	Before opening your franchised business	Lawyers, Advisors, and Government Agencies
Insurance	$350	Lump Sum	Monthly	Insurance Agent
Travel, Hotel and Incidental Expenses for Initial Training	$3,000	As Incurred	Various	Various
Additional Funds (3 Months)[8]	$25,000 - $35,000	As Incurred	As Incurred	Employees, Suppliers and Utility Companies
Total	**$178,111 – $357,931**[9]			

Explanatory Notes:

1 All fees are non-refundable following your acceptance of the site for your franchised business and the signing of your Franchise Agreement.

2 We describe the Initial Franchise Fee in Item 5. The standard Initial Franchise Fee is $20,000, but if you open multiple FAST-FIX Service Centers, the Initial Franchise Fee for the second and each additional FAST-FIX Service Center that you open is $15,000. If you qualify for the IFA VetFran Program, the Initial Franchise Fee is $10,000 for any FAST-FIX Service Center that you open.

3 The location of your franchised business is in an enclosed shopping mall, outlet mall or retail strip center. The estimated cost for your FAST-FIX Service Center includes site costs, building permits, architectural fees, real estate brokerage fees, signage, licenses, freight, delivery, installation and related fees. The actual costs of your FAST-FIX Service Center will vary depending on numerous factors, including mall and location design criteria and materials, square footage, local code and ordinance requirements, and union labor assessments.

4 This amount includes an estimated cost of $2,000 payable to a supplier for the POS System, and support fees of $411 to $531 payable to us for a 3-month period ($137 to $177 per month).

5 This range represents estimated rent for a 3-month period based on total occupancy and includes additional charges such as common area maintenance fees. It is your responsibility to identify a suitable site for the In-line Store within the Territory, which we must approve. We estimate that the site of the In-Line Store should occupy about 300 to 1,000 square feet of space. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the In-line Store already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas. In-line Stores can be located in strip shopping centers, free-standing

units, other venues in downtown commercial areas and in residential areas with high street visibility, as well as in Non-Traditional Sites (defined in Item 12 below). We anticipate you will enter into a lease for the site of the FAST-FIX Service Center directly from the landlord.

6 You may be required to pay your landlord a security deposit before your tenancy starts.

7 This range includes an estimate of the expenses you will incur for an attorney and other advisors to do the following: review and negotiate your Lease; prepare your organizational documents (if you are an entity); and to obtain business licenses and permits. We recommend you use the services of a real estate attorney to review your Lease. You may also request our assistance in reviewing and negotiating your Lease. This range also includes lease negotiation fees that you might pay to us to review and negotiate your Lease (or Master Lease, if any) on your request.

8 These represent an estimate of only the range of expenses net of revenue for your initial start-up phase, which is estimated to be three months from when you begin operating your franchised business. The additional funds you will need to operate during this phase include payroll, rent, utilities, professional fees, supplies, and other costs. These figures are estimates and we cannot guarantee that you will not incur additional expenses in starting your franchised business. The actual amount of additional funds you will need during the initial phase of operating will depend on certain factors, including: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products, the prevailing wage rate, competition and the sales level achieved during the initial period.

9 The estimates are of your expenses only, and do not reflect any offsetting sales revenue you may earn from operations to pay those expenses. The estimate of Additional Funds for 3 months shown on the table above is not an estimate of working capital that you will need, but relates only to certain (but not necessarily all) expenses for the 3-month period. We relied on our more than 36 years of experience in the jewelry repair business to complete these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Store-in-Store Location

YOUR ESTIMATED INITIAL INVESTMENT				
Type of expenditure [1]	**Amount**	**Method of payment**	**When due**	**To whom payment is to be made**
Initial Franchise Fee[2]	$20,000	Lump Sum	Before opening your franchised business	Us
In-Store Space[3]	$20,000 - $40,000	Lump Sum	Before opening your franchised business	Suppliers
Inventory, Equipment and Trade Fixtures	$20,000 - $30,000	Lump Sum	Before opening your franchised business	Suppliers
POS System Purchase[4]	$2,000	Lump Sum	Before opening your franchised business / Monthly	Supplier
POS System Support Fees[4]	$411 - $531	Lump Sum	Monthly	Us
Initial Promotional and Advertising Expenses (including website program)	$3,000	Lump Sum	Before opening your franchised business	Various
Lease Negotiation Fee	$0 - $2,700	Lump Sum	Before opening your franchised business	Us
Initial Rent[5]	$5,000 - $10,000	Lump Sum	Before opening your franchised business	Landlord
Security Deposit[6]	$0 - $15,000	Lump Sum	Before opening your franchised business	Landlord
Utility Deposits	$350	Lump Sum	Before opening your franchised business	Utility Companies and other Third Parties
Professional Fees, Licensing and Permitting[7]	$4,000 - $6,000	As Incurred	Before opening your franchised business	Lawyers, Advisors, and Government Agencies

Type of expenditure [1]	Amount	Method of payment	When due	To whom payment is to be made
Insurance	$350	Lump Sum	Monthly	Insurance Agent
Travel, Hotel and Incidental Expenses for Initial Training	$3,000	As Incurred	Various	Various
Additional Funds (3 Months)[8]	$5,000 - $15,000	As Incurred	As Incurred	Employees, Suppliers, and Utility Companies
Total	**$83,111 - $147,931[9]**			

Explanatory Notes:

1 All fees are non-refundable after you accept the site for your franchised business and sign your Franchise Agreement. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

2 We describe the Initial Franchise Fee in Item 5. The standard Initial Franchise Fee is $20,000, but if you open multiple FAST-FIX Service Centers, the Initial Franchise Fee for the second and each additional FAST-FIX Service Center that you open is $15,000. If you qualify for the IFA VetFran Program, the Initial Franchise Fee is $10,000 for any FAST-FIX Service Center that you open.

3 Your franchised business will be located in a larger retail store. The estimated cost for your store-in-store location includes site costs, building permits, architectural fees, real estate brokerage fees, signage, licenses, freight, delivery, installation and related fees. The actual costs of your FAST-FIX Service Center will vary depending on numerous factors, including store and location design criteria and materials, square footage, local code and ordinance requirements, and union labor assessments.

4 This amount includes an estimated cost of $2,000 payable to a supplier for the POS System, and support fees of $411 to $531 payable to us for a 3-month period ($137 to $177 per month).

5 This range represents estimated rent for a 3-month period based on total occupancy and includes additional charges such as common area maintenance fees. It is your responsibility to identify a suitable site within the Territory, subject to the current list of available locations and our prior written approval. We estimate that the site of a store-in-store location should occupy about 200 to 600 square feet of space. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas. You will enter into a Sublease for the site of the FAST-FIX Service Center directly from us. Your Sublease will include the same rate and term as the Master Lease. Therefore, the term, payment time period, and duration of your Sublease will coincide with the term, payment time period, and duration of the Master Lease.

6 You may be required to pay a security deposit before your tenancy starts.

7 This range includes an estimate of the expenses you will incur for an attorney and other advisors to do the following: review and negotiate your Sublease; prepare your organizational documents (if you are an entity); and to obtain business licenses and permits. We recommend you use the services of a real estate attorney to review your Sublease. This range also includes lease negotiation fees that you might pay to us to review and negotiate the Master Lease at your request.

8 These represent an estimate of only the range of expenses net of revenue for your initial start-up phase, which is estimated to be three months from when you begin operating your franchised business. The additional funds you will need to operate during this phase include payroll, rent, utilities, professional fees, supplies, and other costs. These figures are estimates and we cannot guarantee that you will not incur additional expenses in starting your franchised business. The actual amount of additional funds you will need during the initial phase of operating will depend on certain factors, including: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products, the prevailing wage rate, competition and the sales level achieved during the initial period.

9 The estimates are of your expenses only, and do not reflect any offsetting sales revenue you may earn from operations to pay those expenses. The estimate of Additional Funds for 3 months shown on the table above is not an estimate of working capital that you will need, but relates only to certain (but not necessarily all) expenses for the 3-month period. We relied on our more than 36 years of experience in the jewelry repair business to complete these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To enhance the dissemination, recognition and acceptability of the System and the quality standards and goodwill represented by them and of our franchisees' operations, as well as to assist you in obtaining business, you must purchase or lease the goods, services, supplies, fixtures, equipment, computer hardware and software, stationery, business cards, advertising materials, uniforms and inventory, and any other products and services used to establish and operate a FAST-FIX Service Center that meet our minimum standards and specifications or are from suppliers we approve, which may be us or our affiliates. We will notify you in our Brand Standards Manual or other communications (via electronic means or otherwise) of our standards and specifications for the System and/or names of approved suppliers.

We currently do not directly or indirectly require you to purchase any products, supplies or services of any character from us or our affiliates, although we reserve the right to do so in the future. Neither we nor any of our affiliates are currently the only approved suppliers for any of the products or services that you must use in operating your franchised business. We have the absolute right to limit the suppliers with whom you may deal. We have the right to revoke authorization of a supplier at any time in writing. None of our officers currently owns an interest in a designated supplier to the franchise network.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the Fast-Fix System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

You must participate in our franchise advertising program, which provides you with advertising and promotional materials at our cost and promotes brand consistency at point of purchase. All advertising materials (print, media or web-based) must be pre-approved in advance by us. You must send a proposed copy of all advertising materials to us at least 15 days before you use them. If you do not receive written approval or disapproval within 10 days from our receipt of complete advertising materials, they are deemed approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Your stationery and business cards must include our logo, your name, address and telephone number, the line "Franchisee of Jewelry Repair Enterprises, Inc." and either of the lines "Each Fast-Fix Jewelry and Watch Repairs location is Independently Owned and Operated," or "Independently Owned and Operated By (Your Name)," all in formats we specify. For your convenience, we will furnish you samples or mats of our logo for this purpose, as well as for use in your local advertising.

We may negotiate with suppliers and manufacturers to receive rebates on certain items franchisees must purchase. The rebate programs vary depending on the supplier and the nature of the product or service. Not every supplier pays rebates to us. Rebates from certain vendors are between 0.00% - 4.50% on eligible purchases and subject to change at the vendor's discretion. In 2022, we received rebates totaling $93,422, which was about 1% of our total revenue of $6,995,191.

If you are an existing franchisee that has a Sublease with us, you must secure a new Lease directly with the Landlord on expiration or termination of the Sublease.

Franchisor Grants and Revokes Approval of Suppliers

If you desire to purchase services, equipment, supplies or inventory from reputable, dependable sources other than our designated or approved suppliers, you must submit to us a request for approval, or request the supplier itself to do so. We may grant or withhold approval in our sole judgment. As a condition of our approval, we may require that you promptly satisfy the following conditions:

(A) if requested, you provide a Dun and Bradstreet financial and business report (or similar report) covering the proposed supplier;

(B) you cause the proposed supplier to satisfactorily complete any specification verification and testing we deem necessary, including causing the proposed supplier to deliver samples to our principal offices or to a designated independent testing laboratory for testing; and

(C) you pay us a charge not to exceed our actual cost of testing.

We will not unreasonably withhold the approval of suppliers as long as the products or services conform to our appearance, quality and uniformity standards and other specifications. If you do not receive written approval or disapproval within 30 days after we receive the materials, they are deemed to be disapproved. If we determine that the products or services of a supplier no longer conform to our appearance, quality and uniformity standards or other specifications, we may immediately revoke the supplier's approval or, before we revoke our approval, we may advise the supplier in writing of the deficiency and give the supplier a reasonable time to cure the deficiency.

Insurance

In addition to the purchases described above, you must maintain insurance in effect in the types and limits we or your landlord may prescribe, including the following: comprehensive liability insurance coverage, motor vehicle coverage, worker's compensation, builders' and/or contractor's insurance, fire and extended coverage, vandalism, malicious mischief and special extended coverage, business interruption, and jeweler's block. We also strongly recommend employment practices liability insurance,

which provides protection against employee lawsuits and will reimburse you against the costs of defending a lawsuit in court and for judgments and settlements. The cost of these coverages will vary depending on the insurance carrier's charges, terms of payment and your history.

To the extent legally permissible, all insurance policies must name us (and, if we require you to sign a Sublease, the Landlord under the Master Lease) as additional insured and loss payee. We will require you to furnish proof of insurance in a timely manner, including providing us with certificates of insurance, a copy of a cleared check, and a paid receipt showing the certificate number or other showing the insurance is in full force and effect.

Revenue or Benefits from Your Required Purchases

In 2022, we received no revenue from required purchases or leases from us by our franchisees, other than the rebates described above.

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate your franchise business:

	% of Total to Establish	% of Total to Operate
Purchases/leases from us (excluding initial franchise fee)	0% to 5%	0% to 5%
Purchases/leases from approved suppliers	15% to 25%	15% to 25%
Purchases/leases under our specifications	70% to 85%	70% to 85%

At this time, we have no purchasing or distribution cooperatives. In the future, however, we may establish cooperatives and require you to participate in them.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under your Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

FRANCHISEE'S OBLIGATIONS		
Obligation	**Section in Agreement**	**Disclosure document item**
a. Site selection and acquisition/lease	Sections 3.1 and 7.1 of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases/leases	Sections 3.1, 3.4, 4.1, 7.1, 7.2, 7.5, 7.9 and 7.12 of Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Section 7.1, 7.2, 7.3, 7.5, 7.9 and 7.12 of Franchise Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Sections 3.5 and 3.9 of Franchise Agreement	Item 11
e. Opening	Section 7.3 of Franchise Agreement	Item 11

FRANCHISEE'S OBLIGATIONS		
Obligation	**Section in Agreement**	**Disclosure document item**
f. Fees	Sections 2.5, 3.2, 3.7, 3.8, 3.9, 4.1, 4.2, 4.3, 4.7, 4.10, 7.1, 7.2, 7.9, 8.1, 10.9, 11.5, 13.3, 13.4, 14, and 15.17 of Franchise Agreement Sections 3, 4, 6, 7, 11, 12, and 16 of Sublease	Items 5, 6, 8, 7, 11, and 17
g. Compliance with standards and policies/operating manual	Section 6.1 and Articles 7 and 8 of Franchise Agreement Section 8 of Sublease	Items 8 and 11
h. Trademarks and proprietary information	Article 6 and Sections 4.3, 7.4, and 12.3 of Franchise Agreement	Items 11, 13 and 14
I. Restrictions on products/services offered	Sections 7.5 - 7.9 and 7.11 of Franchise Agreement Section 8 of Sublease	Item 16
j. Warranty and customer service requirements	Section 4.8 and 7.14 of Franchise Agreement	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. On-going product/service purchases	Sections 7.8 and 7.9 of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.11, and 7.12 of Franchise Agreement	Item 11
n. Insurance	Sections 11.1 - 11.4 of Franchise Agreement Section 6 of Sublease	Items 7 and 8
o. Advertising	Sections 4.3, 7.4, 7.6, 7.9 and 7.11 of Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Sections 6.4 and 11.5 of Franchise Agreement Section 11 of Sublease	Item 6
q. Owner's participation/ management/staffing	Section 7.8 of Franchise Agreement	Items 11 and 15
r. Records and reports	Sections 4.5 and 4.9 of Franchise Agreement	Not Applicable
s. Inspections and audits	Sections 4.5, 4.9, 4.10, 7.2 and 7.10 of Franchise Agreement Section 12 of Sublease	Item 6

FRANCHISEE'S OBLIGATIONS		
Obligation	**Section in Agreement**	**Disclosure document item**
t. Transfer	Article 10 of Franchise Agreement Section 10 of Sublease	Item 17
u. Renewal	Sections 2.5, 2.6 and 2.7 of Franchise Agreement Sections 2 and 9 of Sublease	Item 17
v. Post-termination obligations	Sections 7.12, 7.14, and 12.3 of Franchise Agreement Sections 13 and 14 of Sublease	Item 17
w. Non-competition covenants	Sections 8.4, 8.5, and 8.8 of Franchise Agreement	Item 17
x. Dispute resolution	Article 13 of Franchise Agreement Section 22.a of Sublease	Item 17
y. Other - Guaranty	Section 7.8 of Franchise Agreement	Item 15
z. Other - Attire	Section 7.7 of Franchise Agreement	Item 8

ITEM 10
FINANCING

Neither we nor any affiliate offers direct or indirect financing. Except as described below, we do not guarantee your note, lease or obligation.

As of December 31, 2022, we had guarantees on certain leases. We have no intent to guarantee any additional leases.

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

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

Before the Opening of Your Franchised Business

We will do all of the following to assist you before the opening of your franchised business:

- Site Selection Assistance. We will provide our site selection criteria. Generally, we consider the following factors in accepting a location: demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; other physical and commercial characteristics; and lease terms. You must secure your site, negotiate and enter into a Lease for your site, subject to our prior written approval. We will approve or disapprove the Lease within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that time, the Lease is not approved. If you do not select a site for the FAST-FIX Service Center and obtain our prior written approval within 60 days of the effective date of your Franchise Agreement (the "Effective Date"), then we may terminate your Franchise Agreement and retain the Initial Franchise Fee. (Franchise Agreement, Sections 3.1 and 7.1)

- Lease Negotiation. On your request, we will help review and negotiate the Lease with your landlord. If we require you to enter into a Sublease, we will review and negotiate the Master Lease. (Franchise Agreement, Sections 4.1(c) and 7.1)

- Provide Specifications for Franchised Business. We will specify initial equipment, trade fixtures, inventory, and computer system for point of sale and inventory management necessary to establish your franchised business. (Franchise Agreement, Section 3.4)

- Provide Initial Specifications and Plans. We will provide you our initial standard specifications and plans for the building, equipment, furnishings, decor, layout and signs identified with your franchised business. We base these plans and specifications on our years of experience in the jewelry repair industry. (Franchise Agreement, Section 3.4) You will, at your own expense, tailor the plans and specifications provided by us for your individual use and will then submit the customized plans and specifications to us for written approval. You pay for the build out of your franchised business and all other costs of compliance and permits. (Franchise Agreement, Section 7.2).

- Provide Basic Training Program. To educate your staff and you in our operational requirements and to ensure uniformity of operation by all franchisees, we will provide you initial training at our corporate training facility (or other location designated by us) as well as pre and post training at your FAST-FIX Service Center. (Franchise Agreement, Section 3.5)

- Brand Standards Manual. We will provide you access to an on-line copy of our confidential and proprietary Brand Standards Manual (currently what would be about 286 paper pages). The Brand Standards Manual contains detailed information, forms and systems pertaining to the operation of your franchised business. The table of contents of our Brand Standards Manual is attached as Exhibit C to this disclosure document.

- Coordinate Grand Opening Promotion. We will assist in the coordination of the grand opening promotion. (Franchise Agreement, Section 3.6)

After the Opening of Your Franchised Business

Once your franchised business is operational, we may provide the following assistance and support, but we have no obligation to do so:

- Developments. We will provide you with special sales and repair techniques, merchandising, marketing and advertising research data and advice, and other operational items as we may develop and deem helpful in the operation of your franchised business. (Franchise Agreement, Section 3.8)

- Routine Assistance. Consultation and advice by our staff regarding routine operating matters, either by personal visit, telephone, mail or otherwise, as you may reasonably request. (Franchise Agreement, Section 3.8)

- Special Assistance. In appropriate situations of necessity and within the limits of availability of our staff, our personnel will visit your franchised business and provide assistance. (Franchise Agreement, Section 3.8)

- Additional Training. We may hold periodic conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop your franchised business. If conferences are held, we do not currently charge a fee, but you must pay all your travel, hotel and incidental expenses related to your attendance at the conference. We do, however, reserve the right to charge a fee for the conference

at our discretion. These conferences will be held at a location chosen by us. Attendance is mandatory. (Franchise Agreement Section 3.9)

Relocation Advice

If you operate an in-line store or kiosk location and become dislocated from your franchised business before the expiration of the term and you satisfy certain conditions, on your request, we will provide you with assistance and advice regarding relocation of your franchised business. You must pay our direct costs for this assistance. However, if (i) you operate a store-in-store location or (ii) there are less than two years remaining in the term of your Franchise Agreement, we have the option, but not the obligation, to assist you in locating a new site for your franchised business. (Franchise Agreement, Section 3.2)

Advertising

Each month, you must spend at least 2% of your monthly Gross Sales on local advertising within your local market area to promote your franchised business. If your required amount of local advertising expenditures made during a year is greater than your actual amount of local advertising expenditures, we will send you an invoice and you must pay us the difference, which we will use for marketing at our discretion. You may acquire and develop local advertising materials through any source, but we must approve in advance all advertising materials (print, media or web-based). You must send a proposed copy of all advertising materials to us at least 15 days before you use them. If you do not receive written approval or disapproval within 10 days from our receipt of complete advertising materials, they are deemed approved. (Franchise Agreement, Section 4.3)

You may not use electronic media to advertise your franchised business, including the internet and a worldwide web page, without first obtaining our written consent and your compliance with any conditions and restrictions we wish to impose. We must first approve all use of any electronic media (including internet) postings, including advertisements and/or promotions. You may not promote or sell any products or services, or make any use of the Marks, through the internet without our prior written approval, which we do not have to provide. As a condition of granting any consent, we will have the right to establish any requirement we deem appropriate, including a requirement that your only presence on the internet will be through one or more web pages that we establish on our website. We have the right to establish an intranet site or other electronic system providing private and secure communications between us, our franchisees and other persons and entities that we deem appropriate. If we require, you must establish and maintain access to the internet in the manner we designate. We may periodically establish policies concerning your use of the internet. You are strictly prohibited from promoting your outlet on any social or networking site, including Facebook®, LinkedIn®, Yelp®, Groupon®, Living Social®, Twitter® or any similar site, without complying with our use policies, if we consent to use. We may withhold our consent to use for any reason. (Franchise Agreement, Section 6.6)

We have a franchise advertising program ("FAP") that promotes seasonal, holiday or promotional themes and includes videos, coupons, posters, signage, décor items, visuals, and other point of purchase and display materials, as well as our website program. The FAP may involve print or digital promotions that are national, regional or local. All promotional products are provided through third party vendors (via electronic means or otherwise), and are sold to you at cost (currently $150 per month for a kiosk or a store-in-store location, or $175 per month for an in-line store). The program is mandatory. (Franchise Agreement, Section 4.3)

If an advertising cooperative is established by us for the advertising coverage area in which your FAST-FIX Service Center is located (a "Co-op"), you must join and actively participate in the Co-op.

Company-owned locations will participate in any Co-ops. These Co-ops carry out programs to advertise and market FAST-FIX Service Centers. Franchisees and company-owned FAST-FIX Service Centers located in the designated geographic areas must contribute to the Co-ops, amounts as are determined from time to time by the Co–ops. We will not set the amount of those contributions and there is no limit. If a franchisee participates in a Co-op, the franchisee's local advertising requirement will be reduced by the amount contributed to the Co–op, up to the amount of the local advertising requirement. Each FAST-FIX Service Center operating in the advertising coverage area of a Co-op will have one vote with respect to operating and decision making powers to conduct cooperative business. Co-op members participate in the cooperative business according to the rules and procedures established by each Co-op. We cannot change or dissolve the local Co-ops established by franchisees. Each Co-op is independently audited annually, and its financial statements are available for review. The Co-ops may audit their funds and prepare financial statements, which are available for review; however, requirements vary among the Co-ops. The cooperative advertising and marketing funds are intended for uses and allocated in varying percentages designated by each Co-op, including production, media placement, and administrative expenses.

We reserve the right to establish and administer a national advertising fund for FAST-FIX advertising, marketing, and public relations programs and materials we deem appropriate. No national advertising fund or any other advertising fund for FAST FIX Service Centers was operational in 2022, and no national advertising fund or other advertising fund for FAST FIX Service Centers is currently operational. If we establish a national advertising fund, you must contribute to the national advertising fund in the amounts that we periodically require, not to exceed 2% of your Gross Sales. However, if we establish a national advertising fund, your requirement to spend at least 2% of your monthly Gross Sales on local advertising will be reduced to a requirement to spend at least 1% of monthly Gross Sales on local advertising while you are contributing to the national advertising fund. FAST-FIX Service Centers that we, our affiliates and our franchisees operate will contribute to the national advertising fund. When we establish the national advertising fund, on your written request, we will send you a copy of a statement detailing the national advertising fund income and expenses for the prior fiscal year. (Franchise Agreement, Section 4.3)

Our website program includes a uniform and official website for current and potential customers and employees to be introduced to our nationwide brand and easy access to our individual franchises for menu and product offerings, locations, service specialties, and contact information. We require all franchisees to participate in the program to link their standardized individual websites to our website. Any websites maintained by franchisees must conform to our policies and be ADA-compliant. To provide a consistent design format, we use an outside website design vendor to manage the design and hosting of our website as well as ancillary store websites. The program is included at cost within your initial promotional and advertising expenses (see Item 7 of this disclosure document). (Franchise Agreement, Section 4.3)

We currently do not have a franchisee advisory council (FAC), but we may form, change or dissolve a FAC in the future. If formed, a FAC will advise us on advertising practices. It will serve only in an advisory capacity.

Training

Our initial training program will train you in all of the elements involved in the operation of a jewelry repair and retail sales business within our System (particularly, the distinctive format and mode of operation encompassed by your franchised business). There are no regularly scheduled initial training sessions. We train as often as there are 1 or more franchisees in need of attending the training program. Either you or your pre-approved alternate person must complete our Training Program to our satisfaction. The initial training program is conducted at our home office in Boca Raton, FL (or other location designated by us), 4-6 weeks before opening, and includes applied and classroom instruction as well as pre and post training at your FAST-FIX Service Center. Our costs to conduct the initial training program are covered by your Initial Franchise Fee, but you must pay your and your attendees' travel, hotel and incidental expenses associated with attending. The initial training program is conducted in English only. (Franchise Agreement, Section 3.5). Training materials include the Brand Standards Manual, and are available on our intranet site.

The initial training program is conducted by our team of instructors, who currently have up to 10 years of experience with us, and 11 to 15 years of experience in the retail industry.

INITIAL TRAINING PROGRAM[1]

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Overview History Traditions Values Image	3 Hours	0	Boca Raton, FL and/or FAST-FIX Service Center
Technical Equipment Inventory Tools Supplies	2 Hours	6 Hours	Boca Raton, FL and/or FAST-FIX Service Center
Appearance Housekeeping Displays Merchandising	1 Hours	3 Hours	Boca Raton, FL and/or FAST-FIX Service Center
Workflow Scheduling Staffing Intake Handling Forms	3 Hours	4 Hours	Boca Raton, FL and/or FAST-FIX Service Center
POS Operation SP Orders Service Codes Pay Methods Voids Deposits	4 Hours	4 Hours	Boca Raton, FL and/or FAST-FIX Service Center

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Customer Service Policies Contact Delivery Discounts Problems	3 Hours	4 Hours	Boca Raton, FL and/or FAST-FIX Service Center
Selling Selling Up SPIFF's Warranties Pricing	3 Hours	4 Hours	Boca Raton, FL and/or FAST-FIX Service Center
Staffing Positions Employment Interviewing Performance Pay Periods Testing Standards	2 Hours	3 Hours	Boca Raton, FL and/or FAST-FIX Service Center
General Business Goals Records Controls Policies Merchandising Relationships Ordering Reporting	3 Hours	2 Hours	Boca Raton, FL and/or FAST-FIX Service Center
TOTAL HOURS	**24 HOURS**	**30 HOURS**	

[1] Depending on your experience level and learning pace, the presentation order and time spent on each subject may be revised to best suit you and your attendees, and to ensure smooth course presentation flow.

We may organize 1-day regional meetings of franchisees in particular geographic areas, to review operations and advise franchisees of current developments. You must attend these regional meetings, and you are responsible for your travel, hotel and incidental expenses associated with attending. We do not charge a fee for these regional meetings. We generally organize regional meetings in the years in which we do not organize national conventions.

We may organize national conventions for franchisees. We generally hold national conventions every other year. You and/or your designated personnel must attend the full program of, and must stay at the designated hotel of, each national convention. For each national convention, you must pay a registration fee, per person, and you must pay a hotel fee for 1 room during the convention dates. If your accrued national convention fee deposits are not sufficient to cover the registration and hotel fees, we have the right to debit your bank account for the difference. You will be responsible for your travel, hotel and incidental expenses that are not covered by the registration and hotel fees. For each national convention, we anticipate the registration fee to be $400 per person, and the hotel fee to be $400 for 1 room. A national convention typically lasts 3 to 4 days. If you attend the full program of, and stay at the designated hotel of, the national convention, any remaining unused national convention fee deposits will roll over for the following national convention or, subject to our approval and in our business judgment, may be reimbursed or applied to other expenses associated with the national convention, including travel, additional hotel and incidental expenses. If you fail to attend the full program of, or fail to stay at the designated hotel of, the national convention, any accrued national convention fee deposits will be forfeited to us on the closing date of the national convention. If you are acquiring an existing FAST-FIX Service Center from a selling franchisee (transfer), we will transfer any of the selling franchisee's accrued national convention fee deposits as of the transfer closing date to your account. The selling franchisee may negotiate with you that this amount be reimbursed by you to the selling franchisee at the closing as an adjustment to the sales price. Any accrued national convention fee deposits will be forfeited on expiration, termination, or non-renewal of your Franchise Agreement, and/or the unauthorized closure of your FAST-FIX Service Center.

POS System

You must procure and install at the FAST-FIX Service Center a POS System, as designated by us, which may include the combination of any of the following, approved computer system, cash register, point-of-sale terminals, touch screens, bar-code scanners, receipt printers, credit card processing equipment, and other computer hardware, software and peripherals and related services. The various items constituting the POS System must be purchased from our designated suppliers (currently Lightspeed and Ikeono). The POS System is part of your initial investment and you must use it in the operation of your franchised business as intended. The POS System costs about $2,000. The POS System requires a dedicated internet connection which must stay operational at all times during the entire franchise term. The POS System will be used to maintain and collect all customer and sales information for our franchise reporting and marketing requirements. We reserve the right to receive and engage in independent access to information concerning your franchised business through the POS System at any time, without first notifying you. (Franchise Agreement, Sections 3.4 and 7.12) We have the right to use the information accessed on the POS System in any manner we determine, including the right to use any and all information in our Franchise Disclosure Document, and to share financial statements, including profit and loss statements, with other System franchisees. At our request, you must provide us with any assistance required to bring the POS System on-line with our computer. (Franchise Agreement, Section 7.12)

To maintain current company standards and compatibility, we may require you to upgrade or update the POS System and/or its software at your expense. There is no contractual limit on our ability

to require you to change the providers or specifications of the POS System, upgrade the POS System, add components to the POS System or replace components of the POS System. Except for the support fee described below, there are no known costs of any required maintenance, updates, upgrades or support contracts.

As of the date of this disclosure document, the support fee for the POS System was $137 per month for 1 POS station or $177 per month for 2 POS stations, payable to us. This support fee is subject to adjustment periodically based on price increases and additional services provided. We remit the support fee to the POS System suppliers (currently Lightspeed and Ikeono) on your behalf, without markup. We estimate that the annual cost of any optional maintenance, update, upgrade or support contracts will range from $0 to $360 per year. On the expiration or termination of your Franchise Agreement, you must return in good condition all software, disks, tapes and other magnetic storage media we provided (if any). You must also delete all software and applications relating to the foregoing from all memory and storage.

If you fail to use the POS System that we specify, we may require you to pay us, on demand, a non-refundable fee of $250 per day of non-use.

Site Selection and Lease Terms

You must sign a Lease directly with the landlord within 120 days following the Effective Date.

Time to Opening

You will typically open your FAST-FIX Service Center within 180 days of signing your Franchise Agreement. The factors that affect this time are the ability to obtain a lease, financing, building permits, zoning and local ordinances, weather, shortages, and delayed installation of equipment fixtures and signs.

ITEM 12
TERRITORY

During the term of your Franchise Agreement you will operate your FAST-FIX Service Center as a kiosk, as an in-line store, or as a store-in-store location in a larger retail store that we must first approve. Your Franchise Agreement will designate the territory for your FAST-FIX Service Center (the "Territory").

We and our affiliates retain certain rights as described below in this Item. Therefore, you will not receive an exclusive territory. You may face competition from other FAST-FIX Service Center franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Except as limited below, as long as you are in full compliance with your Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of a FAST-FIX Service Center in the Territory during the term of your Franchise Agreement. Otherwise, we and our affiliates retain all rights with respect to FAST-FIX Service Centers, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

(1) the right to establish and operate similar businesses or other businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;

(2) the right to provide, offer and sell and to grant others the right to provide, offer and sell products and services that are identical or similar to and/or competitive with those products and services provided at FAST-FIX Service Centers, whether identified by the Marks or other trademarks or service

marks, through alternative distribution channels (including the internet or similar electronic media, or any other form of electronic commerce) both inside and outside the Territory and on any terms and conditions we deem appropriate;

(3) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Territory under the Marks and on any terms and conditions we deem appropriate;

(4) the right to operate, and to grant others the right to operate FAST-FIX Service Centers located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the FAST-FIX Service Center;

(5) the right to operate and grant others the right to operate FAST-FIX Service Centers at "Non-Traditional Sites" within and outside the Territory on any terms and conditions we deem appropriate. "Non-Traditional Sites" are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, without limitation, military bases, airports, stadiums, arenas, major industrial or office complexes, hotels, school campuses, train stations, travel plazas, toll roads, casinos, hospitals, and sports or entertainment venues;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FAST-FIX Service Centers, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at FAST-FIX Service Centers, or by another business, even if the business operates, franchises and/or licenses competitive businesses in the Territory.

We may exercise any of the retained rights without compensating you. Although we have the right to do so (as described above), neither we nor our affiliate currently operates, franchises, or have present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell in your franchised business.

You may not use other channels of distribution, such as the internet or any other form of electronic commerce, catalog sales, telemarketing, or other direct marketing to make sales inside or outside the Territory. We do not prohibit you from accepting orders outside of your Territory.

You may only open and operate a Fast-Fix Jewelry and Watch Repairs business out of a second location by entering into an additional franchise agreement, in our then-current form. The grant of your second location will also be subject to our approval and your payment of all required amounts due under your Franchise Agreement for that location. Additional locations may be approved and opened under similar conditions and you have no options, rights of first refusal or similar rights to acquire additional franchises outside of your Territory.

Neither you nor any of your affiliates including, but not limited to, family members, may be actively engaged in any Competitive Business other than a FAST-FIX franchised business without our written consent. In addition, you and your affiliates including, but not limited to, family members, may not be engaged in any other business within the Territory.

If you have to relocate your franchised business because you are dislocated from your FAST-FIX Service Center, we will assist you in relocating your franchised business. In such case, if the Territory

provisions of your Franchise Agreement are in full force at the time of your relocation, we will use our commercially reasonable efforts to preserve your Territory rights for your relocated franchised business. You are responsible for all costs and expenses directly or indirectly related to the dislocation or relocation. You must reopen your franchised business at the new location within the time period required by the new or amended lease.

Except as described below, we have no policy, written or unwritten, which judges your performance or places continuation of your franchise and your territorial exclusivity (as described above) during the term of your Franchise Agreement on achievement of a certain sales volume, market penetration or other contingency which could alter your Territory and there are no other circumstances that permit us to modify your Territory. In order to renew your Franchise Agreement, among other conditions that must be satisfied, your Gross Sales during the 12-month period immediately preceding the date of the renewal may not be less than 75% of the average Gross Sales for the same period for all franchisees in the System within the United States (including outlets owned by us) that have been open for more than 24 months.

ITEM 13
TRADEMARKS

We grant you a nontransferable, non-exclusive license to use, in the operation of your franchised business, the trademarks, trade names, service marks, logo, and all advertising or other commercial symbols that we periodically designate in writing and that identify your franchised business as a "Fast-Fix Jewelry and Watch Repairs" business (collectively, the "Marks").

The following is summary information concerning the Marks that are registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

TRADEMARK	OWNER	REGISTRATION NO.	REGISTRATION DATE
FAST-FIX JEWELRY AND WATCH REPAIRS	Jewelry Repair Enterprises, Inc.	5,981,101	February 11, 2020
FAST-FIX	Jewelry Repair Enterprises, Inc.	3,707,598	November 10, 2009
Fast-Fix Jewelry and Watch Repairs	Jewelry Repair Enterprises, Inc.	3,569,301	February 3, 2009
Fast-Fix Jewelry and Watch Repairs	Jewelry Repair Enterprises, Inc.	3,067,269	March 14, 2006
Fast-Fix Jewelry and Watch Repairs	Jewelry Repair Enterprises, Inc.	3,048,421	January 24, 2006
Fast-Fix Jewelry Repairs	Jewelry Repair Enterprises, Inc.	2,378,790	August 22, 2000
Fast-Fix Jewelry Repairs	Jewelry Repair Enterprises, Inc.	2,348,361	May 9, 2000
Fast-Fix Jewelry Repairs	Jewelry Repair Enterprises, Inc.	2,342,938	April 18, 2000

	Jewelry Repair Enterprises, Inc.	2,323,842	February 29, 2000
	Jewelry Repair Enterprises, Inc.	2,323,841	February 29, 2000

We have filed all required affidavits and renewals for these Marks, and intend to file all additional affidavits and renewals for these Marks when required.

The following is summary information concerning the Marks that are registered on the Supplemental Register of the USPTO:

TRADEMARK	OWNER	REGISTRATION NO.	REGISTRATION DATE
America's Jewelry Repair Professionals	Jewelry Repair Enterprises, Inc.	2,352,865	May 23, 2000
America's Jewelry Repair Professionals	Jewelry Repair Enterprises, Inc.	2,347,858	May 2, 2000

We do not have a Principal Register federal registration for this Mark. Therefore, this Mark does not have as many legal benefits and rights as a Principal Register 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. We have filed all required affidavits and renewals for these Marks, and intend to file all additional affidavits and renewals for these Marks when required.

You may use the "Fast-Fix Jewelry and Watch Repairs" name only as an assumed or fictitious name, duly registered in accordance with the laws applicable in the state where your franchised business is located. You may not use the "Fast-Fix Jewelry and Watch Repairs" name or any of the Marks as any part of an entity name (for a corporation, limited liability company, limited partnership, etc.) that is registered in any state of the United States or in any foreign country.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding nor any pending material litigation involving the Marks.

We have no actual knowledge of superior prior rights or infringing uses that could materially affect your use of the Marks in this state or the state in which your franchised business is to be located.

There are currently no agreements in effect that significantly limit our rights to use or license to use the Marks in a manner material to you.

If you become aware of any claim of infringement, unfair competition or other challenge to your right to use any of the Marks, or if you become aware of any use of or claims to, any of the Marks by persons other than us or our franchisees, you must promptly (but not more than 7 days later) notify us in writing. Even though your Franchise Agreement does not obligate us to do so, we expect to vigorously defend your right to use the Marks and protect you against claims of infringement or unfair competition related to the Marks, and we will retain the sole right to control any administrative proceedings or

litigation involving the Marks. We may elect not to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks. We may at any time require you to modify or discontinue your use of the Marks or use one or more additional or substitute names or Marks. In this event, you must comply promptly, at your own expense, to any changes.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You will not receive the right to use an item covered by a patent or copyright, but we will grant you access to an on-line copy of our confidential, proprietary Brand Standards Manual containing valuable and detailed information, forms and systems pertaining to the operation of your franchised business. Although it has not been registered with the United States Registrar of Copyrights, it is a proprietary document and we claim common law copyright protection of the Brand Standards Manual and advertising materials. You may not use the Brands Standard Manual in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

No patents or copyrights are material to the franchise. We provide you with Confidential Information relating to operating your franchised business. Confidential Information includes any knowledge, know-how, technologies, processes, techniques, and any other information that we designate as confidential, proprietary, or trade secrets or that is not readily available in the public domain through any breach of duty to us. Confidential Information also includes: the Brand Standards Manual; the Customer List (as defined in Section 7.13 of your Franchise Agreement); any other information pertaining to your customers and potential customers that you may collect or maintain; lists or identities of customer accounts or relationships, or particular suppliers of products with whom we have developed working relationships; and any other franchise or instructional materials.

You must treat and maintain the Confidential Information as confidential and our trade secrets. You must strictly limit access to the Confidential Information to your employees who have a "need to know" in order to perform their jobs. All persons to whom you grant access to the Brand Standards Manual or any other Confidential Information should first be required to sign and deliver to us our standard form of nondisclosure and noncompetition agreement (Attachment 5 to your Franchise Agreement).

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

Unless otherwise agreed to by us, a Franchise Operator must personally participate in the operation of your franchised business. "Franchise Operator" means: (a) the franchisee, if the franchisee will be an individual, or (b) if the franchisee will be an entity, an individual with a direct or indirect equity interest of at least 25% in that entity. The Franchise Operator or your approved designee must devote, on a full-time basis, his or her best efforts for the productive and efficient operation of your franchised business and for advancing our interests. You must sign a personal guaranty for your franchised business.

Either you or your designated manager must successfully complete our Training Program and anyone with access to our Brand Standards Manual or other Confidential Information, including your manager, will maintain the same standards of confidentiality you must meet. All persons with an ownership or voting interest in a non-individual franchisee and their spouses; all individual franchisees who enter into Franchise Agreements and their spouses; and certain key persons employed by you whom receive or will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must sign our approved nondisclosure and noncompetition agreement. Your Franchise Agreement also contains certain covenants restricting your disclosure of Confidential Information and your ability to compete with us or other franchisees.

Each of the principals of your entity, if any, must sign the Personal Guaranty Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under your Franchise Agreement. We may require your spouse, or the spouse of the principals of your entity to sign the Personal Guaranty Agreement. "Principal" means, for purposes of this Item 15, anyone having an ownership or beneficial interest in your entity(s).

Non-individual franchisees (such as corporations, partnerships, limited liability companies, associations, or trusts) must complete the "Principal Owner's Statement" (Attachment 9 to your Franchise Agreement) and are subject to certain requirements including restricting their business activities, restricting transfer of ownership interests in you and disclosing Confidential Information.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must at all times offer and sell all products, services and programs which we designate part of the System unless you are prohibited by local law or regulation from selling a product, service or program or we have granted you our advance written approval to exclude a product, service or program.

FAST-FIX Service Centers specialize in offering a wide range of "while you shop" services including eyeglass frame repair and electronic device repair. Certain local laws and regulations may prevent you from offering these services. In addition, the Lease may prohibit you from conducting these services at certain locations.

If you would like to sell any product, service or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, service or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other FAST-FIX Service Centers). We may subsequently revoke our approval. We will own all rights associated with the product, service or program. You will not be entitled to any compensation in connection with it.

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

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 2.4 of Franchise Agreement Section 2.4 of Store-in-Store Addendum	Kiosk and In-Line: The initial term for a kiosk or an in-line store is 10 years from the Effective Date of your Franchise Agreement, unless terminated earlier in accordance therein. Store-in-Store Location: The initial term for a store-in-store location in a larger retail store is

Provision	Section in franchise or other agreement	Summary
		10 years from the Commencement Date of your Franchise Agreement, the closing of the larger retail store where your franchised business is located or the termination of the Master Lease or Sublease for your FAST-FIX Service Center. The initial term is subject to the term of the Master Lease or Sublease, which may be less than ten years.
	Section 2 of Sublease	If you sign a Sublease, the initial term of the Sublease ends one day before the expiration of the Master Lease, however, the term may not last longer than the term of your Franchise Agreement, as the term may be extended or renewed.
b. Renewal or extension of the term	Sections 2.5, 2.6 and 2.7 of Franchise Agreement	On your request, and if you satisfy certain conditions, we may, in our sole discretion, extend your franchise for a kiosk, an in-line store or a store-in-store location, up to 3 additional 10-year terms.
	Sections 2.b, 2.c and 9 of Sublease	We have the right, but not the obligation, to extend the term of your Sublease to coincide with the existing term of the Master Lease, as it may be periodically extended, renewed, or replaced. However, the term of your Sublease may not last longer than the term of your Franchise Agreement, as it may be extended or renewed under your Franchise Agreement. The Sublease does not grant you any rights of first refusal, any options to purchase or any extensions or renewal rights with respect to the Master

Provision	Section in franchise or other agreement	Summary
		Lease, and that in no event will you enter a renewal lease directly with the Landlord or negotiate or otherwise attempt to enter a renewal lease or modification of the Master Lease.
c. Requirements for you to renew or extend	Sections 2.5 and 2.6 of Franchise Agreement	You must give us notice of your intent to renew; must not be in default of your Franchise Agreement; must give proper notice; must sign current Franchise Agreement and any related agreements required by us for new franchisees which may have materially different terms and conditions; must pay renewal fee; your landlord has agreed to an extension of the Lease on terms acceptable to us or, if applicable, we have agreed to an extension of the Master Lease with Landlord; must be current with all of your vendors and creditors; your Gross Sales during the 12 months immediately preceding the renewal must not be less than 75% of the average Gross Sales for the same period for all franchisees in the System within the United States (including company-owned outlets) that have been open for more than 24 months; must ensure any alterations, modifications, or renovations of the FAST-FIX Service Center have been completed; and must obtain our consent, which we may grant or withhold in our sole discretion. You must sign a general release of claims.
d. Termination by you	None	Not applicable, subject to state law.

Provision	Section in franchise or other agreement	Summary
e. Termination by us without cause	None	Not applicable
f. Termination by us with cause	Sections 12.1 and 12.2 of Franchise Agreement	We can terminate your Franchise Agreement only if you commit any one of several listed violations including your default under the Sublease (if applicable)
	Section 13 of Sublease	We can terminate your Sublease if you commit any one of several listed violations including defaulting under your Franchise Agreement.
g. "Cause" defined - curable defaults	Section 12.1 of Franchise Agreement	You have 2 days to cure a serious or imminent threat or danger to public health or safety, unless a cure cannot reasonably be completed in such time (and then you will have 30 days to cure). You have 10 days to cure defaults for not paying outstanding amounts, submitting required monthly or annual financial statements or reports, violation of any obligation under your Franchise Agreement as may be supplemented by the Brand Standards Manual or other material, or violation of any law, ordinance, rule or regulation of a governmental agency, or any other default not listed in Section 12 of your Franchise Agreement.
	Section 13 of Sublease	You have 5 days to cure defaults under your Sublease, or a shorter time as the Master Lease may provide, for failure to pay when due any rent or other amount payable under the Master Lease or any other default under the Master Lease

Provision	Section in franchise or other agreement	Summary
		not listed in Section 13 of the Sublease.
h. "Cause" defined – non-curable defaults	Section 12.1 of Franchise Agreement	The following defaults may not be cured: failure to secure a site for the FAST-FIX Service Center within the time limits and following the procedures under your Franchise Agreement; failure to open your franchised business within 180 days after the Effective Date of your Franchise Agreement; bankruptcy; repeatedly failing to meet our standards for quality; unauthorized assignment; repeated breaches; conviction of felony, crime of moral turpitude or other offense; violation of confidentiality or noncompetition provisions; abandonment; default under any other agreement with us or our affiliates; default under the Lease or any agreement with your landlord and you do not cure within the time provided in the Lease or other agreement; if you lose the right to possess the FAST-FIX Service Center; interference with our right to inspect or audit your franchised business; engage in conduct which is harmful or reflects unfavorably on us or the System; unauthorized transfer; knowingly maintains false books or records or submits false reports to us; unauthorized use or disclosure of Confidential Information or Marks or breach of non-competition covenants; and creates, permits, or suffer a lien against, or pledges, mortgages, hypothecates,

Provision	Section in franchise or other agreement	Summary
		grants a security interest in, or any manner encumbers your Franchise Agreement and the default is not cured within any permitted period; and failure to complete training to our satisfaction.
	Section 13 of Sublease	The following defaults may not be cured: multiple defaults under the Sublease or any other agreement with us or our affiliates; or unauthorized transfer.
i. Your obligations on termination/non-renewal	Sections 12.3 and 12.4 of Franchise Agreement	You must: immediately cease using the System and the Marks; pay outstanding amounts (including liquidated damages for premature termination); cancel all fictitious or assumed name(s) and electronic address, domain name or website associated with the System or the Marks; vacate the FAST-FIX Service Center or complete de-identification; if we request, assign us your interest in the Lease; return confidential information and any copies of the Brand Standards Manual.
	Sections 13 and 14 of Sublease	You must surrender the FAST-FIX Service Center and pay all outstanding Sublease obligations.
j. Assignment of contract by us	Section 10.10 of Franchise Agreement	There are no restrictions on our right to assign, and we may assign your Franchise Agreement without consent.
	Section 10.d of Sublease	There are no restrictions on our right to assign, and we may assign the Sublease without consent.
k. "Transfer" by you - defined	Section 10.1 of Franchise Agreement	Without our prior written consent, you may not sell,

Provision	Section in franchise or other agreement	Summary
		assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—any direct or indirect interest in your Franchise Agreement. The term "transfer" refers to any of the preceding actions. If you are a corporation, limited liability company, limited partnership, or other entity, a transfer of your voting or ownership interests —individually or in the aggregate, directly or indirectly—is considered a transfer of an interest in your Franchise Agreement, as is a transfer of all or substantially all of your assets used to operate your franchised business.
	Section 10.a of Sublease	Voluntarily or involuntarily sell, transfer, assign, sublet, or otherwise dispose of the Sublease, the Master Lease or the FAST-FIX Service Center or any equipment, fixtures, or furniture; mortgage, grant any security interest in or lien against, or encumber the Sublease, Master Lease or the FAST-FIX Service Center, or any equipment, fixtures, or furniture; or permit the use or occupation of the FAST-FIX Service Center by any other person.
l. Our approval of transfer by you	Sections 10.1, 10.2, 10.3 and 10.4 of Franchise Agreement	We must approve all transfers
	Section 10.b of Sublease	We must approve all transfers
m. Conditions for our approval of transfer	Sections 10.2 and 10.3 of Franchise Agreement	Assignee qualifies and completes training to our satisfaction; we have reviewed

Provision	Section in franchise or other agreement	Summary
		the terms of assignment; you provide your suppliers and vendors 30 days' prior notice; all amounts due are paid in full; all defaults under all agreements have been cured; sign then-current Franchise Agreement (which may contain materially different terms, including higher Royalty Fees); payment of transfer fee; payment of training fee; assignee signs receipt of franchise disclosure document; receipt of all required information from assignee; you and the assignee sign a general release; we do not exercise our right of first refusal; the FAST-FIX Service Center is renovated to conform to our or the Landlord's then-current standards (if required); your landlord must consent in writing; and you sign and deliver to us documentation of your continuing liability.
	Section 10 of Sublease	Each assignee assumes all of your obligations under your Sublease, you also transfer to each assignee your rights under your Franchise Agreement in accordance with its provisions and you satisfy any other conditions required by Landlord and sublessor.
n. Our right of first refusal to acquire your business	Section 10.11 of Franchise Agreement	We can match any offer for (a) an interest in you belonging to any person who owns at least a 10% ownership or voting interest in you or an entity with an ownership interest in you; (b) your interest in your Franchise Agreement; or (c) for all or a material part of the

Provision	Section in franchise or other agreement	Summary
		assets used in your franchised business.
o. Our option to purchase your business	Section 12.3(b) of Franchise Agreement	We or our designee have the first priority option (but not the obligation) to purchase any or all your equipment at its Designated Value, and if we exercise our option, you must sell the equipment to us at that value, free and clear of all liens, claims and other encumbrances. "Designated Value" means the lesser of (i) fair market value and (ii) your cost less depreciation on a straight line basis of 10% per year.
p. Your death or disability	Section 10.9 of Franchise Agreement	We have the right to require, within six months of the death or disability of any of the following individuals, that individual's estate to transfer his or her interests in the franchisee (or in any of the franchisee's owners) or in your Franchise Agreement: (a) any individual who holds a 10% or greater voting or ownership interest in the franchisee (or in any of the franchisee's owners); or (b) any individual who is the franchisee.
q. Non-competition covenants during the term of the franchise	Sections 8.5 of Franchise Agreement	Subject to state law, you may have no involvement in a Competitive Business wherever located. Competitive Business means (i) any retail business offering any of the following goods or services: jewelry or watch repairs, jewelry or watch sales ring-sizing, chain repair and replacement, remounting, engraving, eyeglass frame repair, watch and electronic device repair, and battery

Provision	Section in franchise or other agreement	Summary
		replacement, as well as custom jewelry and select gift, jewelry and watch retail product opportunities, or any other goods or services of Franchisees that are then authorized for the System, or (ii) any business granting us licenses to others to operate the type of business specified in subparagraph (i) (other than a Fast-Fix Jewelry & Watch Repairs business operated under a Franchise Agreement with us)
r. Non-competition covenants after the franchise is terminated or expires	Section 8.5 of Franchise Agreement	Subject to state law, for 24 months beginning on the expiration or sooner termination of your Franchise Agreement, you may not directly or indirectly: (i) solicit or otherwise attempt to induce, any business affiliate of ours to terminate or modify his, her or its business relationship with us, or to compete against us; (ii) have involvement in a Competitive Business located within 25 miles of any other FAST-FIX franchise; (iii) disturb, disrupt, decrease or otherwise jeopardize our business or any other franchisee's business; (iv) direct any prospective or existing business or economic opportunities away from us, our franchisees, or affiliates to a Competitive Business; or (v) perform any act prejudicial or injurious to the goodwill associated with the Marks.
s. Modification of the agreement	Sections 8.2 and 15.2 of Franchise Agreement	No modifications generally, but we may unilaterally change or modify our franchise system and Brand Standards Manual

Provision	Section in franchise or other agreement	Summary
t. Integration/merger clause	Section 15.5 of Franchise Agreement	Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	Section 13.4, 13.5, 13.6, 13.7, 13.8, 13.9 and 13.10 of Franchise Agreement	Except for certain limited circumstances, must use binding arbitration, subject to state law
v. Choice of forum	Section 13.1 and 15.26 of Franchise Agreement	Subject to state law, legal proceedings, if in court, must be brought in state or federal court for Broward County, Florida, or the District Court of the United States, Southern District of Florida and arbitration proceedings must be conducted in Broward County, Florida. The parties waive their right to a jury trial unless prohibited by

Provision	Section in franchise or other agreement	Summary
		the laws of the state where the franchised business is located. (subject to applicable state law, see Exhibit H)
w. Choice of law	Section 13.2 of Franchise Agreement	Except to the extent the Lanham Act governs or other federal law, Florida law applies (subject to applicable state law, see Exhibit H)

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Reporting Group Information

This Item 19 provides information on the Gross Sales of the following locations ("Reporting Group") during calendar years 2020, 2021 and 2022 ("Reporting Period"):

Reporting Group Data	2020[1]	2021[2]	2022[3]
Mature In-line Stores	114	106	104
Mature Kiosks	16	13	13
Mature Store-in-Store Locations	5	5	4
TOTAL	135	124	121

(1) As of December 31, 2020, there were 135 franchised and 9 company-owned FAST-FIX Service Centers open. The information in this Item 19 relates to the 135 franchised FAST-FIX Service Centers that were open for at least 12 months as of December 31, 2020, 114 of which were Mature In-Line Stores, 16 of which were Mature Kiosks, and 5 of which were "Mature Store-in-Store Locations. The information in this Item 19 does not relate to the performance of (a) 9 company-owned FAST-FIX Service Centers, or (b) 13 FAST-FIX Service Centers that ceased operations in 2020.

(2) As of December 31, 2021, there were 126 franchised and 8 company-owned FAST-FIX Service Centers open. The information in this Item 19 relates to the 124 franchised FAST-FIX Service Centers that were open for at least 12 months as of December 31, 2021, 106 of which were Mature In-Line Stores, 13

of which were Mature Kiosks, and 5 of which were Mature Store-in-Store Locations. The information in this Item 19 does not relate to the performance of (a) 8 company-owned FAST-FIX Service Centers, or (b) 9 FAST-FIX Service Centers that ceased operations in 2021.

(3) As of December 31, 2022, there were 123 franchised and 6 company-owned FAST-FIX Service Centers open. The information in this Item 19 relates to the 121 franchised FAST-FIX Service Centers that were open for at least 12 months as of December 31, 2022, 104 of which were Mature In-Line Stores, 13 of which were Mature Kiosks, and 4 of which were Mature Store-in-Store Locations. The information in this Item 19 does not relate to the performance of (a) 6 company-owned FAST-FIX Service Centers, or (b) 4 FAST-FIX Service Centers that ceased operations in 2022.

During the Reporting Period, no FAST-FIX Services Centers both began and ceased operations in the same year.

Gross Sales Figures

The information in the tables below contains historical Gross Sales figures for the Mature In-Line Stores, Mature Kiosks, and Mature Store-in-Store Locations in the Reporting Group during the Reporting Period. The financial information was prepared from internal accounting records and reports. The numbers have not been audited.

The FAST-FIX Services Centers included in this financial performance representation offer similar services and face a similar degree of competition anticipated for the FAST-FIX Services Centers offered under this Franchise Disclosure Document.

The Gross Sales figures shown in the tables below do not reflect costs of service materials and products sold, store personnel salaries and related costs, rent, royalty fees, owner's draw, other operating expenses, interest, income taxes, depreciation, amortization or other non-operating expenses.

Table 1
Gross Sales for the Mature In-Line Stores
In the Reporting Group during the Reporting Period

	2020[3]	2021[4]	2022[5]
Average Gross Sales[1, 2]	$310,846	$504,997	$521,391
Median Gross Sales[1, 2]	$280,620	$452,066	$470,858
Highest Gross Sales (Single Mature In-Line Store)	$1,016,024	$1,521,732	$1,552,381
Lowest Gross Sales (Single Mature In-Line Store)	$50,070	$57,817	$117,814

	2020[3]	2021[4]	2022[5]
Number/Percentage of Mature In-Line Stores that Met or Exceeded the Average	49/114 43%	42/106 40%	40/104 38%

(1) "Gross Sales" means the entire amount of the sales price of all goods, wares, merchandise or services sold or rendered from the Franchised Business (including all precious metal sales to refiners), whether for cash, charge, credit card or time-sale basis, without reserve or deduction for inability or failure to collect, including all orders for goods or services, whether by mail, telephone, internet or otherwise, and whether the orders will be filled from the Fast-Fix Service Center or elsewhere, so long as the (franchisee) in the normal course of business would attribute the orders or sales to the Franchised Business. The following is not included in Gross Sales: (a) the amount of refunds, allowances or discounts to customers, provided the same had been previously included in Gross Sales and provided further that if the refunds, allowances or discounts are in the form of credits to customers, the credits will be included in Gross Sales when used by customers in the future; and (b) the amount of any excise or sales tax levied upon retail sales and payable over to the appropriate governmental authority (but only to the extent actually paid when due to the appropriate governmental authority), provided that specific record is made at the time of each sale which clearly indicates that the amount is expressly charged to the customer.

(2) An "average" is calculated by adding the numerical values of all data points in a set and dividing by the number of data points in the set. A "median" is the numerical value of the data point in the middle of all data points in a set. If a set contains an even number of data points, the median is calculated by identifying the 2 data points in the middle of the set, adding their numerical values, and dividing by 2.

(3) In 2020, the top 25% of Mature In-Line Stores had Gross Sales of $371,743 to $1,016,024, and the bottom 25% of Mature In-Line Stores had Gross Sales of $50,070 to $188,302.

(4) In 2021, the top 25% of Mature In-Line Stores had Gross Sales of $609,978 to $1,521,732, and the bottom 25% of Mature In-Line Stores had Gross Sales of $57,817 to $325,108.

(5) In 2022, the top 25% of Mature In-Line Stores had Gross Sales of $631,064 to $1,552,381, and the bottom 25% of Mature In-Line Stores had Gross Sales of $117,814 to $316,900.

Table 2
Gross Sales for the Mature Kiosks
In the Reporting Group during the Reporting Period

	2020[3]	2021[4]	2022[5]
Average Gross Sales[1, 2]	$194,992	$296,876	$302,467
Median Gross Sales[1, 2]	$173,878	$255,482	$250,411
Highest Gross Sales (Single Kiosk)	$524,149	$755,351	$796,132
Lowest Gross Sales (Single Kiosk)	$68,888	$140,961	$159,316

	2020[3]	2021[4]	2022[5]
Number/Percentage of Mature In-Line Stores that Met or Exceeded the Average	6/16 38%	5/13 39%	3/8 38%

(1) See Note 1 above.

(2) See Note 2 above.

(3) In 2020, the top 25% of Mature Kiosks had Gross Sales of $237,458 to $524,149, and the bottom 25% of Mature Kiosks had Gross Sales of $68,888 to $131,246.

(4) In 2021, the top 25% of Mature Kiosks had Gross Sales of $354,257 to $755,351, and the bottom 25% of Mature Kiosks had Gross Sales of $140,961 to $181,392.

(5) In 2022, the top 25% of Mature Kiosks had Gross Sales of $371,114 to $796,132, and the bottom 25% of Mature Kiosks had Gross Sales of $159,316 to $180,608.

Table 3
Gross Sales for the Mature Store-in-Store Locations
In the Reporting Group during the Reporting Period

	2020	2021	2022
Average Gross Sales[1, 2]	$100,086	$110,367	$91,890
Median Gross Sales[1, 2]	$108,564	$109,063	$84,895
Highest Gross Sales (Single Kiosk)	$123,602	$148,903	$133,904
Lowest Gross Sales (Single Kiosk)	$51,799	$58,957	$63,864
Number/Percentage of Mature In-Line Stores that Met or Exceeded the Average	4/5 80%	2/5 40%	1/4 25%

(1) See Note 1 above.

(2) See Note 2 above.

General

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representations, Jewelry Repair Enterprises, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Controller, Fadi Esmail, in writing, at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, (800) 359-0407, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

System-Wide Outlet Summary
For Years 2020 to 2022

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2020	148	135	-13
	2021	135	126	-9
	2022	126	123	-3
Company-Owned	2020	4	9	+5
	2021	9	8	-1
	2022	8	6	-2

Total Outlets	**2020**	**152**	**144**	**-8**
	2021	**144**	**134**	**-10**
	2022	**134**	**129**	**-5**

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (other than Franchisor or an affiliate)
For Years 2020 to 2022

State	Year	Number of Transfers
AK	2020	0
	2021	0
	2022	1
CA	2020	0
	2021	1
	2022	0
GA	2020	0
	2021	0
	2022	0
MD	2020	0
	2021	0
	2022	1
PA	2020	0
	2021	0
	2022	1
NV	2020	1
	2021	0
	2022	0
TX	2020	0
	2021	0
	2022	2
WA	2020	0
	2021	0
	2022	1
Total	**2020**	**1**
	2021	**1**
	2022	**6**

TABLE NO. 3

Status of Franchised Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Outlets At End Of Year
AK	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
AZ	2020	9	0	1	0	0	0	8
	2021	8	0	0	0	2	0	6
	2022	6	0	0	0	0	2	4
CA	2020	46	0	0	2	0	0	44
	2021	44	0	0	0	0	0	44
	2022	44	0	0	0	0	1	43
CO	2020	4	0	0	0	0	0	4
	2021	4	0	0	2	0	0	2
	2022	2	0	0	0	0	0	2
CT	2020	1	0	0	0	0	0	1
	2021	1	0	0	1	0	0	0
	2022	0	0	0	0	0	0	0
DE	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
FL	2020	25	0	1	0	1	0	23
	2021	23	0	0	0	0	0	23
	2022	23	0	0	0	0	0	23
GA	2020	9	0	0	1	1	0	7
	2021	7	1	0	0	1	0	7
	2022	7	1	0	0	0	1	7
IL	2020	3	0	0	0	1	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Outlets At End Of Year
IN	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
KY	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
MD	2020	3	*0*	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
MO	2020	1	0	0	0	1	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NC	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NV	2020	4	0	0	0	0	0	4
	2021	4	0	3	0	0	0	1
	2022	1	0	0	0	0	0	1
NM	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
NY	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
OR	2020	3	0	0	0	0	0	3
	2021	3	0	0	1	0	0	2
	2022	2	0	0	0	0	0	2
PA	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
SC	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operation Other Reasons	Outlets At End Of Year
TN	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
TX	2020	14	0	0	0	1	1	12
	2021	12	0	0	0	0	1	11
	2022	11	0	0	0	0	0	11
UT	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
VA	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
WA	2020	2	0	0	0	0	0	2
	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1
DC	2020	1	0	0	1	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	**2020**	**148**	**0**	**3**	**4**	**5**	**1**	**135**
	2021	**135**	**3**	**3**	**5**	**3**	**1**	**126**
	2022	**126**	**1**	**0**	**0**	**0**	**4**	**123**

TABLE NO. 4

Status of Company-Owned Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets At End of the Year
AZ	2020	0	0	0	0	0	0
	2021	0	0	2	0	0	2
	2022	2	0	0	0	0	2
FL	2020	1	0	1	0	0	2
	2021	2	0	0	1	0	1
	2022	1	0	0	0	0	1
GA	2020	0	0	1	0	0	1
	2021	1	0	1	0	1	1
	2022	1	0	0	0	1	0
IL	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
MO	2020	0	0	1	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
NY	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
SC	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
TX	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	**2020**	**4**	**0**	**5**	**0**	**0**	**9**
	2021	**9**	**0**	**3**	**1**	**3**	**8**
	2022	**8**	**0**	**0**	**1**	**1**	**6**

TABLE NO. 5

Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlets Not Opened As Of December 31, 2021	Projected New Franchised Outlets In 2022	Projected New Company-Owned Outlets In 2022
All States	0	0	0
Total	**0**	**0**	**0**

Exhibit D contains the names of our franchisees, and the addresses and telephone numbers of their FAST-FIX service centers, as of December 31, 2022. Exhibit D also contains the addresses of our company-owned locations.

Exhibit E contains the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of each of our franchisees who had franchises transferred (1), terminated (3), not renewed (5) or reacquired by us (3) in 2022; who otherwise voluntarily or involuntarily ceased to do business in 2022 (1); or who did not communicate with us within 10 weeks of the date of this disclosure document (0).

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

No franchisees have signed confidentiality clauses during the last 3 fiscal years that restrict their ability to speak openly about their experience with our franchise system.

The following independent franchisee organization has asked to be included in this disclosure document: The Independent Association of Fast-Fix Franchisees (IAFF), a Chapter of the American Association of Franchisees and Dealers, PO Box 10158, Palm Desert, CA 92255-1058, telephone: 619-209-3775, fax: 866-855-1988, iaff@aafdchapters.org.

ITEM 21
FINANCIAL STATEMENTS

Exhibit F includes our audited financial statements for the fiscal years ended December 31, 2020, 2021 and 2022, and our unaudited financial statement as of March 31, 2023.

ITEM 22
CONTRACTS

The following agreements are Exhibits to this disclosure document:

Exhibit B Franchise Agreement and Attachments

Attachment 1 Schedule of Initial Fees
Attachment 2 Territory and Site of Service Center
Attachment 3 Sublease (Store-in-Store Location)
Attachment 4 Conditional Assignment of Telephone Numbers and Listings

Attachment 5 Nondisclosure and Noncompetition Agreement
Attachment 6 Required Provisions for Lease Rider
Attachment 7 State Specific Riders
Attachment 8 Personal Guaranty Agreement
Attachment 9 Principal Owners Statement
Attachment 10 Addendum for Store-in-Store Location
Attachment 11 Conditional Assignment and Assumption of Lease
Attachment 12 SBA Addendum
Attachment 13 ACH/Pre-Authorized Debit Authorization Form

Exhibit G Sample General Release

ITEM 23
RECEIPTS

Exhibit J includes detachable documents acknowledging your receipt of this disclosure document.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

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

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 593-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Attn: Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Department of Labor and Regulation/ Division of Insurance/Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, SD 57501-3185 (605) 773-3563	Director of South Dakota Division of Insurance
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT AND ATTACHMENTS

FRANCHISE AGREEMENT

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Attachment 12 SBA Addendum

Attachment 13 ACH/Pre-Authorized Debit Authorization Form

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Franchise Agreement") is dated as of _____20__ (the "Effective Date"), for a term commencing _____20__ (the "Commencement Date") and is between **JEWELRY REPAIR ENTERPRISES, INC.**, a Pennsylvania corporation ("Franchisor"), and _____, a(n) _____{corporation, limited liability company} ("Franchisee").

A. Franchisor is engaged in the franchising of jewelry and watch repair businesses ("FAST-FIX Service Centers") which offer products and services from a kiosk ("Kiosk"), from an in-line store ("In-Line Store"), or from a location in a larger retail store ("Store-in-Store Location"), and in connection therewith, permitting the use of the Marks (defined below).

B. As a result of the expenditure of time, skill, effort, and money, Franchisor has established a well-known reputation with the public as to the quality of products and services available at the Franchised Business, which said reputation and goodwill has been and continues to be a distinct benefit to Franchisor and its franchisees.

C. Franchisee recognizes the benefits to be derived from being identified with Franchisor, utilizing the Marks, and being able to utilize the business methods and business knowledge which Franchisor makes available to its franchisees.

D. Franchisee desires to be authorized to operate the Franchised Business pursuant to the provisions hereof and at the location specified herein.

E. Franchisee acknowledges that Franchisee has had a full and adequate opportunity to be fully advised of the terms and conditions of this Franchise Agreement, and has consulted advisors and legal counsel of Franchisee's own choosing prior to its execution, and is entering into this Franchise Agreement having made an independent investigation of Franchisor's operations.

The parties therefore agree as follows:

ARTICLE 1.
DEFINITIONS

For the purposes of this Franchise Agreement, the following terms have the following meanings:

1.1. "Affiliate" means, with respect to a corporation or other business entity, any person controlling, controlled by, or under common control with that business entity. With respect to an individual, affiliate means that individual's Family members, as well as such Family members' spouses, and the corporations or other business entities such individual and his or her family members, directly or indirectly, control. "Control" means the (a) the ownership of more than 25% of the outstanding ownership or voting interests in an entity or (b) the possession, directly or indirectly, of the power to cause the direction of management and policies of such person, whether through equity ownership, by agreement, or otherwise. "Family" means, with respect to an individual, such individual's spouse and such individual's siblings; lineal ancestors of such individual or its spouse or siblings; lineal descendants of any grandparent of such individual or its spouse or siblings; and trusts for the exclusive benefit of such individual or any of the other foregoing individuals. Family relations include those by birth, adoption, and step-relations by marriage. Half-siblings are considered siblings;

1.2. "Annual Statement of Gross Sales and Operating Costs" means Franchisee's verified statement stating Franchisee's Gross Sales and operating costs for the last calendar year, in such form as Franchisor specifies;

1.3. "Brand Standards Manual" means all manuals produced by, or for the benefit of, Franchisor and loaned to Franchisee, now existing or later produced, and any revisions prepared for the internal use of the Franchised Business, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials;

1.4. "Competitive Business" means (i) any retail business offering any of the following goods or services: jewelry or watch repairs, jewelry or watch sales, ring sizing, chain repair and replacement, remounting, engraving, eyeglass frame repair, watch and electronic device repair, and battery replacement as well as custom jewelry design and select gift, jewelry and watch retail product opportunities or any other goods or services of Franchisees that are then authorized for our System, or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Fast-Fix Jewelry & Watch Repairs business operated under a Franchise Agreement with us);

1.5. "Confidential Information" means any and all information, knowledge, know how, technologies, processes, techniques, trade secrets, business methods, procedures, pricing methodology, all draft and final site selection criteria and layouts, designs and other plans and specifications for the construction, buildout, design, renovation, décor, equipment, signage, fixtures and trade dress elements of the Service Center and any other information that Franchisor designates as confidential, proprietary or trade secrets, and information Franchisor declares to Franchisee or which Franchisee learns about Franchisor, its business or its franchise system, that is not readily available to the general public. Confidential Information includes, but is not limited to, the following of Franchisor: the Brand Standards Manual; the Customer List; any other information pertaining to Franchisee's customers and potential customers that Franchisee may collect or maintain; lists or identities of customer accounts or relationships, or particular suppliers of products with whom Franchisor has developed working relationships; and any other franchise or instructional materials;

1.6. "Fast-Fix" means Franchisor's trade names, including "Fast-Fix Jewelry Repairs" and "Fast-Fix Jewelry and Watch Repairs;"

1.7. "Franchised Business" means the FAST-FIX business that Franchisee is authorized to establish and operate under the Marks at the Service Center in accordance with this Franchise Agreement;

1.8. "Landlord" means the landlord leasing the Service Center to Franchisor pursuant to the Master Lease for a Store-in-Store Location;

1.9. "Lease" means any lease Franchisee enters into for the Service Center;

1.10. "Master Lease" means the lease of the Service Center from the Landlord to Franchisor for a Store-in-Store Location, attached as Exhibit B to the Sublease, as the same may be amended, modified, extended, renewed or replaced from time to time;

1.11. "Marks" means the trademarks, trade names, service marks, slogans, and advertising or other commercial symbols owned or licensed by Franchisor that Franchisor authorizes as part of the System, including but not limited to the "Fast-Fix Jewelry Repairs," "Fast-Fix Jewelry and Watch Repairs" and "America's Jewelry Repair Professionals" trademarks;

1.12. "POS System" means the combination of any or all of the following, computers, cash drawers, point-of-sale terminals, touch screens, bar-code scanners, receipt printers, credit-card-swipe readers, and other computer hardware, software, and peripherals and related services (including high-speed internet service), that Franchisee must purchase and use in accordance with Franchisor's specifications contained in the Brand Standards Manual or otherwise specified by Franchisor;

1.13. "Service Center" means the property from which the Franchised Business is operated, as more fully described within the Lease or Sublease (if applicable) and determined in accordance with Section 3.1;

1.14. "Sublease" means the sublease of the Service Center from Franchisor to Franchisee for a Store-in-Store Location, in the form of Attachment 3 hereto, as the same may be amended, modified, extended, renewed or replaced from time to time;

1.15. "System" means Franchisor's system for operating a Fast-Fix business. The system includes specific standards and procedures and the Marks—all of which may be improved, further developed, or otherwise modified as well as those features described in this Franchise Agreement; and

1.16. "Territory" means the enclosed mall, shopping center or other retail location where the Franchised Business is located, as described on Attachment 2 hereto;

1.17. Other Definitions. The following terms are defined in the following Sections of this Franchise Agreement:

Term	Section
ADA	7.2(a)
Anti-Terrorism Law	15.31(a)(i)
Arbitrable Disputes	13.5
Arbitration Rules	13.8(c)
Commencement Date	Introductory Paragraph
Co-op	4.3(e)
Customer Information	7.13
Customer List	7.13
Dispute Notice	13.8(b)
Effective Date	Introductory Paragraph
FAP Fee	4.3(b)
FAST-FIX Service Centers	Recitals
Final Dispute Notice	13.8(c)
First Notice	13.8(a)
Franchise Advertising Program	4.3(b)
Franchise Agreement	Introductory Paragraph
Franchise Operator	7.8(a)
Franchisee	Introductory Paragraph
Franchisee Parties	15.31(a)(i)
Franchisor	Introductory Paragraph
Gross Sales	4.4
Indemnified Parties	11.5
Initial Franchise Fee	4.1(a)
In-Line Store	Recitals

Kiosk	Recitals
Lease Assignment	7.1(b)
Local Advertising	4.3(a)
Owner	15.33
Modifications	7.2(c)
Store-in-Store Location	Recitals
Persons in Privity	13.6
Royalty Fee	4.2(a)
Term	2.4
Transfer	10.1(a)

ARTICLE 2.
FRANCHISE GRANT; LOCATION; TERRITORY; TERM

2.1. Grant of Franchise. Subject to the terms and conditions of this Franchise Agreement, Franchisor hereby grants to Franchisee for the Term the right, and Franchisee hereby undertakes the obligation, to operate the Franchised Business in accordance with the System.

2.2. Location of the Franchised Business. Franchisee shall operate the Franchised Business only at the Service Center and not from or at any other location, whether on a permanent or temporary basis, even if such location is within the Territory.

2.3. Territory. From the date of this Franchise Agreement through the expiration of the Term or the earlier termination of this Franchise Agreement, for so long as Franchisee is not in default, Franchisor shall not itself operate—or grant a third party the right to operate— within the Territory a Fast-Fix business using the Marks or the System. Notwithstanding the foregoing, Franchisor reserves for itself the rights set forth in Section 6.7. Such rights are superior to the rights of Franchisee under this Franchise Agreement.

2.4. Term. The initial term (the "Term") of this Franchise Agreement shall commence on the Commencement Date and shall expire on the tenth (10th) anniversary of the Commencement Date, unless extended or sooner terminated in accordance with the terms and conditions hereof. In the case of a franchise acquired from an existing Franchisee, the Term shall equal the remaining balance of the transferor's term, unless sooner terminated in accordance with the terms and conditions of the Franchise Agreement with the transferee.

2.5. Renewal. Subject to Franchisor's refusal rights pursuant to Section 2.6, Franchisee may request Franchisor to renew the franchise for three (3) additional terms of ten (10) years each by giving Franchisor notice of such request not later than twelve (12) months before the expiration of the then-current Term. If consented to by Franchisor, such renewal will only become effective if all of the following conditions are satisfied.

(a) That Franchisee has given Franchisor written notice, not more than 1 year and not less than 180 days before the date of renewal, of Franchisee's intention to renew;

(b) That, as of the date of Franchisee's request for renewal, no default under Section 12.1 has occurred (even if such default was cured), and no event has occurred which, with the passage of time, the giving of notice or both, would result in a default under Section 12.1;

(c) That, as of the date of renewal, no default under Section 12.1 has occurred (even if such default was cured), and no event has occurred which, with the passage of time, the giving of notice or both, would result in a default under Section 12.1;

(d) That, as of the date of renewal, Franchisee has signed and delivered to Franchisor the then-current FAST-FIX franchise agreement, and any related agreements required by Franchisor for new franchisees. Such franchise agreement and related agreements may differ substantially from those of any previous franchise or other agreements; provided, that, in lieu of the then-current initial franchise fee, on execution of such franchise agreement, Franchisee shall pay to Franchisor only 50% of such initial franchise fee;

(e) That, if applicable, Franchisor and Landlord have agreed to an extension of the Master Lease with all required modifications, or, if Franchisee does not sign a Sublease, Franchisee's landlord has agreed to an extension of the Lease on terms acceptable to Franchisor;

(f) That Franchisee is current with all of its vendors and creditors;

(g) That Franchisee's Gross Sales during the 12 months immediately preceding the date of renewal is not less than 75% of the average Gross Sales over the same 12-month period for all of the franchises in the System within the United States (including company-owned outlets) that have been open for business for more than 24 months;

(h) That any alterations, modifications or renovations to the Service Center required pursuant to Section 7.1 have been completed; and

(i) That Franchisee has complied with any other conditions imposed by Franchisor.

2.6. Franchisor's Right to Refuse Renewal. If Franchisee has delivered timely notice of its request to renew in accordance with Section 2.5 and at such time Franchisor has not already notified Franchisee of its intention not to renew, Franchisor will use reasonable efforts to notify Franchisee of its intention not to renew no later than 180 days before the expiration of the Term. If Franchisor allows Franchisee to renew, Franchisee shall be required to sign a general release, in a form prescribed by Franchisor, as a condition of such renewal. Franchisor's failure to send Franchisee a notice of non-renewal at least 180 days prior to the expiration date shall constitute Franchisor's offer to renew the franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If Franchisee has any objections to Franchisor's notice of non-renewal, including any dispute as to the basis for Franchisor's decision not to renew, Franchisee must send Franchisor a written notice of objection that sets forth the basis for Franchisee's objections. Franchisee's notice of objection must be sent to Franchisor no later than 30 days after Franchisee receives Franchisor's notice of non-renewal. Franchisee's failure to send Franchisor a written notice of objection during such 30-day period shall constitute Franchisee's agreement to the non-renewal of the franchise.

2.7. Franchisor's Right to Extend Term. Franchisor shall have the right, on notice to Franchisee, to extend the Term. Such extension, if any, may be only to coincide with the then existing term of the Lease or Sublease, if applicable. However, such right does not permit Franchisor to extend the Term for more than five years without the consent of Franchisee.

ARTICLE 3.
FRANCHISOR'S DUTIES

So long as such assistance and services are necessary to operate the Franchised Business and Franchisee is not in default under this Franchise Agreement, Franchisor shall assist and provide the following services to Franchisee:

3.1. Site Selection and Acceptance. If Franchisee has not suggested a site for the Service Center which Franchisor has approved before the execution of this Franchise Agreement, then Franchisor will furnish Franchisor's site selection criteria to Franchisee following the execution of this Franchise Agreement. Franchisee shall be responsible for locating the site of the Service Center, subject to Franchisor's prior written approval. If Franchisee has suggested a site which Franchisor has approved before the execution of this Franchise Agreement, then the address of that site will be set forth on Attachment 2 hereto.

3.2. Dislocation of Franchisee. If Franchisee becomes dislocated from the Service Center prior to the expiration of the Term or earlier termination of this Franchise Agreement due to (a) the refusal of Franchisee's landlord to renew or extend the Lease through no fault of Franchisee, or (b) fire, flood or other disaster or accident affecting the Service Center, and at such time no default of this Franchise Agreement has occurred and is continuing (and no event has occurred which, with the passage of time, the giving of notice or both, would result in a default of this Franchise Agreement), Franchisor, on Franchisee's request, shall assist Franchisee, at Franchisee's expense, in locating a new site for the Franchised Business. Notwithstanding the foregoing, if there are less than two years remaining in the Term, Franchisor shall have the option, but not the obligation, to assist Franchisee in locating a new site for the Franchised Business. On relocation, and to the extent that the exclusivity provisions of Section 2.3 are in full force and effect and have not become void as provided for therein, such provisions shall, to the greatest extent possible, apply with respect to the relocated Service Center, having due regard for the rights of others which arose prior to relocation. All costs and expenses associated either directly or indirectly with dislocation or relocation (including any costs incurred by Franchisor relating to the dislocation or relocation) shall be borne solely by Franchisee. Franchisee must reopen the Franchised Business at the new location within the time period required by Franchisee's new or amended Lease. Further, Franchisee shall be required to reimburse Franchisor its direct costs associated with the approval of a new location, such as site location or lease negotiation assistance, legal and accounting fees, travel expenses, and other out-of-pocket expenses.

3.3. No Representations Regarding Service Center. Franchisor's approval of a site for the Service Center (or, if subleased from Franchisor, its selection of the site) does not constitute a representation or warranty that the Franchised Business will be profitable or that Franchisee's sales will attain any predetermined levels. Such approval is intended only to indicate that the proposed site for the Service Center meets Franchisor's minimum criteria for identifying sites. Franchisee agrees that Franchisor's approval or disapproval of a proposed site for the Service Center shall not impose any liability or obligation on Franchisor of any kind. Franchisor makes no representations about the site of the Service Center whatsoever.

3.4. Specifications; Construction; Equipment; Fixtures; Initial Inventory. As set more fully in Section 7.2, Franchisor shall make available to Franchisee its standard specifications and plans for the construction, trade fixtures, equipment, inventory, POS System, furnishings, décor, layout, and signs necessary for the Franchised Business.

3.5. Basic Training. Franchisor shall provide initial Service Center training for Franchisee and its pre-approved trainees at Franchisor's home office, at another franchisee's FAST-FIX Service Center (or such other location designated by Franchisor) as well as pre and post opening training at Franchisee's FAST-FIX Service Center. Franchisee is solely responsible for all costs and expenses relating to having Franchisee and its personnel attend such training, including travel, hotel and incidental expenses. If Franchisor, in its judgment, determines that any trainee has failed to satisfactorily complete such training it may, at Franchisee's expense, retrain the failing trainee or

allow Franchisee to hire a substitute trainee who must attend and satisfactorily complete such training. In the event Franchisee fails to complete training to Franchisor's satisfaction, such failure shall act as a default under this Franchise Agreement. Franchisee's manager or pre-approved trainees must sign a Nondisclosure and Noncompetition Agreement, in the form attached as Attachment 5 hereto.

3.6. Grand Opening Assistance. Franchisor will assist in the coordination of an opening promotion program.

3.7. Brand Standards Manual. Franchisor shall provide Franchisee with on-line access to the Brand Standards Manual, or other standard business policies and operations instruction materials.

3.8. Continued Assistance and Support. Franchisor may provide the following continued assistance and support, but has no obligation to do so:

(a) Development. Such special sales and repair techniques, merchandising, marketing and advertising research data and advice, and other operational items as may be developed from time to time by Franchisor and deemed by it to be helpful in the operation of the Franchised Business;

(b) Routine Assistance. Consultation and advice by Franchisor's staff regarding routine operating matters, either by personal visit, telephone, mail as may from time to time be reasonably requested by Franchisee; and

(c) Special Assistance. Special assistance with advertising, and consultation and advice regarding extraordinary and unusual operating matters or emergencies. Notwithstanding any such assistance, Franchisee shall be solely responsible for the hiring, disciplining, supervising, promoting and firing of its employees and the establishment of their salaries. Franchisee shall pay all travel, hotel and incidental expenses incurred by Franchisor with respect to personal visits, plus Franchisor's then standard fees for such visits (which are currently $1,000 per person per day). All such visits are limited by the availability of Franchisor's staff. Franchisor shall not be held liable for any damages or losses incurred by Franchisee due to Franchisor's special assistance.

3.9. Additional Training.

(a) In the event that Franchisee is granted the right to open a second or additional franchised location, Franchisee is required to attend and satisfactorily complete a multi-store training curriculum at Franchisor's corporate training facility (or such other location designated by Franchisor) no later than 30 days prior to the scheduled opening of the second or additional franchised location. Franchisee is solely responsible for all costs and expenses relating to having its personnel attend such training, including travel, hotel and incidental expenses.

(b) Franchisor retains the right, in its sole discretion, to hold periodic conferences to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures to improve and develop the Franchised Business at a location chosen by Franchisor. Franchisee's attendance at such periodic conferences is mandatory. Franchisor retains the right to charge Franchisee a fee for its attendance. Franchisee is solely responsible for all costs and expenses related to its attendance at the conference, including travel, hotel and incidental expenses.

3.10. Purchasing Plans. Franchisee shall have the right to participate in system-wide purchasing plans that may be established by Franchisor from time to time.

ARTICLE 4.
FEES AND PAYMENTS

4.1. Initial Fees.

(a) Initial Franchise Fee. In consideration of the execution of this Franchise Agreement by Franchisor, Franchisee agrees to pay Franchisor an initial franchise fee (the "Initial Franchise Fee") of Twenty Thousand Dollars ($20,000). The Initial Franchise Fee is due, fully earned by Franchisor and payable to Franchisor immediately on Franchisee's execution of this Franchise Agreement. If Franchisee is a veteran participating in the International Franchise Association's VetFran Program, the Initial Franchise Fee will be reduced by 50%.

(b) Multiple Franchises. To encourage multiple Service Center development, for each additional Fast-Fix franchise that Franchisee opens, and as long as at the time of such opening Franchisee is not in default under this Franchise Agreement or any other agreement to which Franchisor and Franchisee are parties, Franchisee shall receive a discount of $5,000 from the then-current Initial Franchise Fee, as applicable. Notwithstanding the foregoing, if any of Franchisee's FAST-FIX Service Center franchises are sold within six months of Franchisee's opening of an additional FAST-FIX Service Center for which Franchisee receives a discount, Franchisee shall immediately reimburse Franchisor for the discount by remitting to Franchisor the amount of $5,000 by wire transfer or cashier's check.

(c) Lease Negotiation. If Franchisee requests in writing Franchisor's assistance in reviewing the Lease (including any renewal of the Lease) and negotiating with Franchisee's landlord, Franchisee must reimburse Franchisor for its costs and expenses promptly on Franchisor's written request.

4.2. Royalty Fees.

(a) Royalty Fees. In consideration of Franchisor executing this Franchise Agreement, Franchisee shall pay to Franchisor a continuing monthly royalty fee (the "Royalty Fee") equal to 6% of monthly Gross Sales. No later than the 10th day of each month during the Term, Franchisee shall pay Franchisor the Royalty Fee for the prior month.

(b) Minimum Royalty Fees. For each calendar year commencing with the second full calendar year following the date of this Franchise Agreement, if the total Royalty Fees for such year are less than $14,400, Franchisee shall pay to Franchisor the difference between $14,400 and the total Royalty Fees actually paid for such year.

(c) Overpayments/Underpayments. In the event that the total Royalty Fees received by Franchisor in a calendar year are less than the total Royalty Fees actually due for such year as set forth on the related Annual Statement of Gross Sales and Operating Costs, Franchisee shall pay the difference along with accrued interest to Franchisor simultaneously with the delivery of the Annual Statement of Gross Sales and Operating Costs for such year. In the event that the total Royalty Fees received by Franchisor in a calendar year are greater than the total Royalty Fees actually due for such year, as set forth on the related Annual Statement of Gross Sales and Operating Costs, the amount of such overpayment shall be credited against the next Royalty Fee paid to Franchisor.

4.3. Advertising.

(a) Local Advertising. Unless a national advertising fund is established in accordance with Section 4.3(f), each month during the Term, Franchisee shall spend no less than 2% of its monthly Gross Sales on advertising and promotion undertaken in media directed primarily at Franchisee's local market area ("Local Advertising"). Local Advertising does not include contributions to any promotions or media fund or other advertising obligations pursuant to the Lease or Sublease, and such amounts shall be in addition to the costs of Local Advertising.

(b) Franchise Advertising Program. In addition to the Local Advertising obligations under Section 4.3(a), Franchisee shall participate in Franchisor's franchise advertising program (the "FAP") by paying to Franchisor a continuing monthly fee (the "FAP Fee"). No later than the 10th day of each month during the Term, Franchisee shall pay Franchisor the FAP Fee for the prior month. The FAP Fee shall be equal to the latest amount specified by Franchisor and may increase from time to time as a result of an increase in Franchisor's advertising costs. The FAP Fee currently is $150 per month for a Kiosk or a Store-in-Store Location, or $175 per month for an In-Line Store. The FAP is a program created by Franchisor for the benefit of all franchisees and company-owned units. Franchisor has the exclusive right to maintain and operate the FAP. The FAP provides Franchisee with marketing and promotional materials (via electronic means or otherwise) at cost. Any website maintained by Franchisee must conform to Franchisor's policies, and must be ADA-compliant.

(c) Advertising Materials. Franchisee shall advertise and promote the Franchised Business only under the Marks without any accompanying words or symbols except as otherwise required by law and approved by Franchisor. All advertising materials (print, media or web-based) must be approved in advance by Franchisor. Franchisee shall send a proposed copy of all advertising materials to Franchisor at least 15 days in advance of the proposed use date for Franchisor's approval. Franchisor shall approve or disapprove within a 10 day period from receipt of complete advertising materials. In the event Franchisor does not respond within such time frame, it shall be deemed as an approval. Franchisor may withdraw approval of advertising materials at any time and Franchisee must cease using them on notification.

(d) Advertising Statements. Within 90 days after the end of each calendar year during the Term, Franchisee shall submit to Franchisor a signed, itemized statement specifying both the actual amount of Local Advertising expenditures made during such calendar year and the required amount of Local Advertising expenditures pursuant to Section 4.3(a). If the required amount of Local Advertising expenditures is greater than the actual amount of Local Advertising expenditures, Franchisee shall pay to Franchisor the difference along with such signed statement. Such payments shall be in addition to the other amounts required to be paid by Franchisee pursuant to this Franchise Agreement and may be applied by Franchisor towards the purchase of advertising materials and programs offered by Franchisor.

(e) Advertising Cooperative. Franchisor reserves the right to establish and administer an advertising cooperative to promote the system in a specified advertising coverage area on a local or regional basis (a "Co-op"). Franchisor may require all FAST-FIX Service Center franchisees and Franchisor-owned FAST-FIX Service Centers in the advertising coverage area to participate in the Co-op. If Franchisee participates in a Co-op, Franchisee must

contribute to the Co-op in such amounts as determined by the Co-op. Each FAST-FIX Service Center operating in the advertising coverage area will have one vote. If Franchisee participates in a Co-op, Franchisee's Local Advertising requirement will be reduced by the amount contributed to the Co-op, up to the amount of the Local Advertising requirement.

(f) National Advertising Fund. Recognizing the value of advertising and marketing to the goodwill and public image of FAST-FIX Service Centers, Franchisor may establish and administer a national advertising fund for the advertising, marketing, and public relations programs and materials Franchisor deems appropriate and which will be contributed into only by Franchisor's franchisees. If and when Franchisor notifies Franchisee that Franchisor is establishing such a national advertising fund, Franchisee agrees to contribute to the national advertising fund in the amounts that Franchisor prescribes from time to time, not to exceed 2% of Gross Sales, payable in the same manner as Royalty Payments. The amount contributed will be in addition to any obligations imposed by the Lease or Sublease for promotional, media or other items of advertising. If a national advertising fund is established, Franchisee will be required to participate, and Franchisee's Local Advertising requirement will be reduced to 1% of monthly Gross Sales while contributing to the national advertising fund.

4.4. Gross Sales Defined. The term "Gross Sales" means the entire amount of the sales price of all goods, wares, merchandise or services sold or rendered whether for cash, charge, credit card or time-sale basis (including all precious metal sales to refiners), without reserve or deduction for inability or failure to collect, including all orders for goods or services, whether by mail, telephone, internet or otherwise, and whether or not such order be filled from the Service Center or elsewhere, so long as Franchisee in the normal course of business would attribute such orders or sales to the Franchised Business. The following shall not be included in Gross Sales:

(a) the amount of refunds, allowances or discounts to customers, provided the same had been previously included in Gross Sales and provided further that if such refunds, allowances or discounts are in the form of credits to customers, such credits shall be included in Gross Sales when used by such customers in the future; and

(b) the amount of any excise or sales tax levied on retail sales and payable over to the appropriate governmental authority (but only to the extent actually paid when due to the appropriate governmental authority), provided that specific record is made at the time of each sale which clearly indicates that such amount is expressly charged to the customer.

4.5. Statements.

(a) Statements of Gross Sales and Operating Costs. Franchisee shall deliver to Franchisor the following reports and statements along with any and all reports as may be required by Franchisor pursuant to the Brand Standards Manual or otherwise, in forms and at the times therein or otherwise:

(i) no later than the Wednesday of each week during the first twelve months of the Term or such longer period that Franchisor may require, a report of the Gross Sales made in the preceding week, in the format specified by Franchisor in the Brand Standards Manual or otherwise;

(ii) within 10 days after the end of each calendar month during the Term, an email will be sent to each Franchisee disclosing the Gross Sales from the POS System. The Franchisee will have two business days to dispute the amount of Gross Sales

being reported to Franchisee. In the event the Franchisor cannot attain the Gross Sales information from the POS System, a report signed and attested to by Franchisee or by an authorized officer or agent of Franchisee, stating the Gross Sales made in the proceeding calendar month, in a format specified by the Franchisor in the Brand Standards Manual or otherwise; and

(iii) within 45 days after the end of each calendar year during the Term and after the end of the Term, an Annual Statement of Gross Sales and Operating Costs, with verification that:

(A) Franchisee has examined such statement,

(B) Franchisee's examination included such tests of Franchisee's books and records as considered necessary or appropriate under the circumstances to reasonably ensure that such statement is free of material misstatement,

(C) such statement presents fairly in all material respects the Gross Sales and operating costs in the preceding calendar year, and

(D) the Gross Sales reflected on such statement are computed in compliance with the definition of Gross Sales contained in Section 4.4 and generally accepted accounting principles consistently applied.

If Franchisee fails to timely deliver the Annual Statement of Gross Sales and Operating Costs, Franchisor shall have the right thereafter to employ an independent certified public accountant or other accounting specialist to examine such books and records of Franchisee as may be necessary to audit the Gross Sales for such calendar year, and within five days after demand by Franchisor, Franchisee shall pay all reasonable costs relating to such audit.

(b) Tax Returns; Financial Statements. Franchisee shall submit to Franchisor copies of its Federal and state income tax returns at the time such returns are filed with the appropriate tax authorities. Within 60 days after the close of each calendar year during the Term, Franchisee shall deliver to Franchisor its annual financial statements, including its balance sheet and profit and loss statement, as well as such other statements, reports and records, along with sales receipts, concerning the financial or operating aspects of the Franchised Business as Franchisor from time to time directs. All of the financial statements or other periodic reports required under this Franchise Agreement must be prepared to segregate the income and related expenses of the Franchised Business from those of any other business which may be conducted by Franchisee.

4.6. No Waiver. The acceptance by Franchisor of any required payments hereunder after the date due shall be without prejudice, and shall in no event constitute a waiver of Franchisor's rights to claim a deficiency of such payments or to audit Franchisee's books and records.

4.7. Late Charges; Payment Obligation. Each failure to pay monies when due is a material breach of this Franchise Agreement. To encourage prompt payment and to cover the costs involved in processing late payments, if any payment under this Franchise Agreement or any other agreement between Franchisor and Franchisee is overdue for any reason, Franchisee shall pay Franchisor, on demand, in addition to the overdue amount, interest on such overdue amount from the date it was due until paid at a rate equal to the lesser of 18% per annum and the maximum rate permitted by law. In addition to interest on overdue amounts, Franchisee shall

pay late fees on demand of $50 for each payment that is more than 10 days overdue and for each monthly report that is more than 10 days overdue to cover Franchisor's administrative costs in dealing with the late payment and late reporting. All payments due to Franchisor by Franchisee are absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense or counterclaim whatsoever. Unless expressly set forth herein, no payments made by Franchisee to Franchisor are refundable. Franchisee's obligations under this ARTICLE 4 shall survive the expiration of the Term or earlier termination of this Franchise Agreement.

4.8. Payment System. Franchisor reserves the right to require the payment of Royalty Fees and other payments owed via certified bank draft or any automated or electronic payment methods prescribed by Franchisor from time to time, including electronic funds transfer, automatic debit, check fax or other system. A duplicate dated sales slip shall be issued with each sale or transaction, whether for cash, credit or exchange, and Franchisee shall utilize, or cause to be utilized, a computerized POS System equipped with non-resettable sealed continuous totals or such other devices for controlling sales as Franchisor shall approve to record all cash sales. Franchisor reserves the right from time to time to require Franchisee to upgrade or purchase a new POS System or terminals which will enable Franchisor to access Franchisee's records on demand via web or other electronic process. Franchisee shall install all required updates to the POS System as they become available. Franchisee shall cooperate with Franchisor to allow it an unrestricted right to retrieve such data and information from Franchisee's POS System as Franchisor directs.

4.9. Books and Records. Furthermore, Franchisee shall keep at the Service Center at all times from the date of this Franchise Agreement, full, complete and accurate books of account and records in accordance with generally accepted accounting principles consistently applied with respect to all operations of the Franchised Business, including the recording of Gross Sales and the receipt of all merchandise into and the delivery of all merchandise from the Service Center, and shall retain such books and records, copies of tax reports submitted to the appropriate taxing authorities, as well as copies of contracts, vouchers, checks, receipts of Gross Sales, dated cash register tapes and other documents and papers in any way relating to the operation of such business (all of which may collectively be referred to as "books and records"), for at least three calendar years from the end of the calendar year to which they are applicable, or, if any audit is required or a controversy should arise between the parties regarding the payments due hereunder, until such audit or controversy is terminated even though such retention period may be after the expiration or earlier termination of this Franchise Agreement. Such books and records shall at all reasonable times during such retention period be open to the inspection of Franchisor or its duly authorized representatives, who shall have full and free access to such books and records and the right to require of Franchisee, its agents and employees, such information or explanation with respect to such books and records as may be necessary for a proper examination and audit thereof.

4.10. Audit. Franchisee covenants and agrees that Franchisee may be audited as required from time to time by Franchisor, at Franchisor's option, which audit may be performed by an independent certified public accountant or other accounting specialist as selected by Franchisor. If any examination or audit of Franchisee's books and records shall disclose a liability for Royalty Fees or Local Advertising to the extent of 2% percent or more in excess of the payments theretofore computed and paid by Franchisee for the period being examined, Franchisee shall promptly pay to Franchisor the cost of such audit in addition to the unpaid Royalty Fees or Local Advertising (with interest from the date such unpaid amounts were due as required pursuant to Section 4.7) as well the cost of any follow-up audit. If any examination or audit of Franchisee's books and

records shall disclose such internal control deficiencies or inadequate disclosures as to not allow an opinion to be rendered, Franchisee shall promptly correct such deficiencies or inadequacies and shall pay for the cost of such audit as well as any follow-up audit.

4.11. Interest on Late Payments. Any payment not received by us within 30 days following the due date will bear interest at 18% per annum or at the highest rate allowed by applicable law from the date payment was due. The interest charges are intended to compensate us for the loss of the funds. (In California, the highest lawful rate of interest is 10% per annum.)

4.12. National Convention Fee Deposits; National Convention Registration and Hotel Fees. Franchisee shall pay to Franchisor a monthly National Convention Fee Deposit equal to $134 no later than the 10th day of each month during the Term. Franchisor may change this amount, in its reasonable business discretion, after at least 15 days' written notice to Franchisee. For each national convention organized by Franchisor, Franchisee shall pay a registration fee, per person, and a hotel fee for 1 room during the convention dates. If Franchisee's accrued National Convention Fee Deposits are not sufficient to cover the registration and hotel fees, Franchisor shall have the right to debit Franchisee's bank account for the difference. Franchisee shall be responsible for its and its attendees' travel, hotel and incidental expenses that are not covered by the registration and hotel fees. If Franchisee attends the full program of, and stays at the designated hotel of, a national convention, any remaining unused National Convention Fee Deposits shall roll over for the following national convention or, subject to Franchisor's approval and in Franchisor's business judgment, may be reimbursed or applied to other expenses associated with the national convention, including travel, additional hotel and incidental expenses. If Franchisee fails to attend the full program of, or fail to stay at the designated hotel of, a national convention, any of Franchisee's accrued National Convention Fee Deposits shall be forfeited to Franchisor on the closing date of the national convention. If Franchisee is acquiring an existing FAST-FIX Service Center from a selling franchisee (transfer), Franchisor shall transfer any of the selling franchisee's accrued National Convention Fee Deposits as of the transfer closing date to Franchisee's account. Any accrued National Convention Fee Deposits shall be forfeited on expiration, termination, or non-renewal of this Franchise Agreement, and/or the unauthorized closure of Franchisee's FAST-FIX Service Center.

4.13. POS System Support Fee; POS System Non-Use Fee. Franchisee shall pay to Franchisor a monthly POS System Support Fee specified by the POS System supplier, no later than the 10th day of each month during the Term. Franchisor shall arrange for submission of the POS System Support Fee to the POS System supplier. If Franchisee fails to use the POS System then specified by Franchisor, Franchisee may require Franchisee to pay Franchisor, on demand, a non-refundable fee equal to $250 per day of non-use.

ARTICLE 5.
LEGAL RELATIONSHIP OF THE PARTIES

5.1. Independent Entities. Franchisor and Franchisee are each distinct businesses and independent legal entities, and nothing in this Franchise Agreement is intended to imply any master/servant, principal/agent, employer/employee or joint employer relationship. Franchisee agrees that the Franchised Business is independently owned and operated.

5.2. No Partnership, Etc.. Franchisor and Franchisee shall refrain from making any representation or creating any impression on any third party or the public that they are partners, associates, joint employers, joint venturers, subsidiaries, principal and agent, or are in any way the agents, fiduciaries or instrumentalities of each other in any sense. Franchisor and Franchisee shall not be

construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Franchisor has no employment or supervisory relationship with Franchisee's employees, and Franchisee has no employment or supervisory relationship with Franchisor's employees.

5.3. No Authority To Bind. Neither party hereto has the authority to bind or obligate the other with respect to any third party, except as expressly set forth herein.

5.4. No Authority To Hire. Neither party hereto has the authority to hire, fire or supervise the conduct of any employee or agent of the other. Further, Franchisee shall have sole responsibility and authority, as to Franchisee's employees, concerning matters such as selection, promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions.

5.5. No Tax Withholding. Neither party hereto has the authority or the responsibility for collecting or withholding of any federal, state or municipal tax imposed on the other or which becomes due or assessable as a result of the business operations of the other.

ARTICLE 6.
MARKS

6.1. Grant of Use. Franchisee may use the Marks, including such trademarks, logos, slogans or other service marks as Franchisor designates in writing from time to time, only in the conduct of the Franchised Business at the Service Center and in accordance with standards and specifications Franchisor determines from time to time, and for no other purpose. Nothing in this Franchise Agreement shall be construed as an assignment or grant to Franchisee of any ownership interest in the Fast-Fix name or the Marks. Except for the grant of use specified herein, Franchisor retains all rights, title and interest in and to the Fast-Fix name and the Marks. Franchisee acknowledges that the Fast-Fix name, the Marks and the goodwill associated with them, are and shall remain, the sole and exclusive property of Franchisor.

6.2. Fictitious Name. Franchisee may use the Fast-Fix name only as an assumed or fictitious name, duly registered in accordance with the laws applicable in the state where the Service Center is located. Franchisee may not use the Fast-Fix name or any of the Marks as any part of the legal name of any entity name (for a corporation, limited liability company, limited partnership, etc.) registered in any state of the United States or in any foreign country.

6.3. Sole Property of Franchisor. Franchisee acknowledges and accepts that the authorization to use the Marks is temporary. At no time shall Franchisee acquire any legal right or title to the Fast-Fix name or the Marks, whether by implied consent, prescriptive right or any other legal or equitable theory or principle of law. Franchisee shall not attempt to acquire, register, use or establish any right or interest in the Fast-Fix name or the Marks (or any mark with phonetic or graphic similarity to those of Franchisor) by virtue of any "consent to use" registration or otherwise, and understands and agrees that any and all goodwill, recognition or reputation generated in connection with the Fast-Fix name or the Marks by Franchisee and all other franchisees of Franchisor in the conduct of their respective Franchised Businesses shall inure to the benefit of Franchisor and shall remain the sole property of Franchisor. If, in any jurisdiction, Franchisee secures any rights whatsoever to any of the Marks not expressly granted under this Franchise Agreement, Franchisee shall immediately notify Franchisor and assign to Franchisor all of Franchisee's right, title and interest to the Marks not expressly granted under this Franchise Agreement. Any and all goodwill associated with the Fast-Fix name or the Marks shall inure directly and exclusively to the benefit of Franchisor.

6.4. Claims Against the Marks. In the event of any claim of infringement, unfair competition or other challenge to Franchisee's right to use any of the Marks, or in the event Franchisee becomes aware of any use of or claims to, any of the Marks by persons other than Franchisor or its franchisees, Franchisee shall promptly (but in no event more than 7 days later) notify Franchisor in writing. Franchisee shall not communicate with anyone except Franchisor and its counsel in connection with any such infringement, challenge or claim except pursuant to judicial process. Franchisor will have discretion as to whether it takes any action in connection with any such infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim relating to any of the Marks. Franchisee must sign all instruments and documents, render any assistance, and do any acts that Franchisor's attorneys deem necessary or advisable in order to protect and maintain Franchisor's interest in any litigation or proceeding related to the Marks or otherwise to protect and maintain Franchisor's interests in the Marks. Franchisee shall have no right to contest Franchisor's rights to the Marks and further indemnifies Franchisor for any misuse of the Marks by Franchisee.

6.5. Franchisor's Right to Modify the Marks. If it becomes advisable at any time in the discretion of Franchisor to modify or discontinue the use of any of the Marks or use one or more additional or substitute names or Marks—including due to the rejection of any pending registration, revocation of any existing registration of any of the Marks, or the rights of senior users—Franchisee is obligated to do so promptly at his or her sole cost and expense on Franchisor's request.

6.6. Franchisee's Permitted Use of the Marks. Franchisee may not use the Marks on the internet, in any electronic advertising or social media, including but not limited to on Facebook®, Yelp®, Twitter®, Instagram®, YouTube®, or other similar electronic advertising or social media, without Franchisor's prior written consent. Franchisee may not use any other trade name, trademarks or service marks at the Franchised Business, or in connection with the FAST-FIX Service Center, without the express written consent and direction of Franchisor. Franchisee shall refrain from engaging in any action (or failing to take any action) that causes or could cause damage to the Marks, the System, or the goodwill associated with the Marks.

6.7. Franchisor's Reservation of Rights. Except as expressly limited by Section 2.3, Franchisor and Franchisor's affiliates retain all rights with respect to FAST-FIX Service Centers, the Marks, the sale of similar or dissimilar products and services, and any other activities Franchisor deems appropriate whenever and wherever Franchisor desires. Specifically, but without limitation, Franchisor reserves the following rights:

(a) the right to establish and operate similar businesses or other businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions Franchisor deems appropriate;

(b) the right to provide, offer and sell and to grant others the right to provide, offer and sell products and services that are identical or similar to and/or competitive with those products and services provided at FAST-FIX Service Centers, whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the internet or similar electronic media, or any other form of electronic commerce) both inside and outside the Territory and on any terms and conditions Franchisor deems appropriate;

(c) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the

Territory under the Marks and on any terms and conditions Franchisor deems appropriate;

(d) the right to operate, and to grant others the right to operate FAST-FIX Service Centers located anywhere outside the Territory under any terms and conditions Franchisor deems appropriate and regardless of proximity to the Service Center;

(e) the right to operate and grant others the right to operate FAST-FIX Service Centers at "Non-Traditional Sites" within and outside the Territory on any terms and conditions Franchisor deems appropriate. "Non-Traditional Sites" are sites that generate customer traffic flow which is independent from the general customer traffic flow of the surrounding area, including, without limitation, military bases, airports, stadiums, arenas, major industrial or office complexes, hotels, school campuses, train stations, travel plazas, toll roads, casinos, hospitals, and sports or entertainment venues;

(f) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FAST-FIX Service Centers, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(g) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at FAST-FIX Service Centers, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory.

Franchisee may not use other channels of distribution, such as the internet or any other form of electronic commerce, catalog sales, telemarketing, or other direct marketing to make sales inside or outside the Territory. Franchisor does not prohibit Franchisee from accepting orders outside of its Territory.

ARTICLE 7.
FRANCHISEE'S OBLIGATIONS

Franchisee agrees that Franchisor's special standardized design and decor, and uniformity of every component of Franchisor's system, and Franchisee's adherence to the Brand Standards Manual and other requirements of Franchisor are essential to the System. Accordingly, Franchisee agrees to undertake the obligations set forth in this ARTICLE 7.

7.1. Site Selection and Acceptance; Lease.

(a) Site Selection. Pursuant to Section 3.1, Franchisee agrees to use best efforts to find an acceptable site for the Service Center. Franchisee must comply with all of Franchisor's specifications, requirements and restrictions for FAST-FIX Service Centers. If Franchisee has not suggested a site which Franchisor has approved before the execution of this Franchise Agreement, then the following provisions will apply: Franchisor may require Franchisee to submit maps, completed checklists, photographs, diagrams of the premises with measurements and other information and materials which Franchisor may reasonably require to evaluate Franchisee's proposed site. Franchisor will visit the proposed site in order to evaluate its suitability one time free of cost. If Franchisee requests that Franchisor visit the proposed site again or if Franchisor deems another visit necessary, Franchisee will pay all expenses associated with those additional visits. It is of the essence of this Franchise Agreement that Franchisee select a site for the Service

Center and obtain Franchisor's prior written approval for the site within 60 days following the Effective Date. If Franchisee does not secure a site within the time limits and following the procedures specified in this Section 7.1, then this failure will be a material and incurable breach of this Franchise Agreement which, unless Franchisor waives the breach, will entitle Franchisor to terminate this Franchise Agreement immediately on notice to Franchisee, with no opportunity to cure. The site of the Service Center will be subject to Franchisor's prior written approval, and Franchisor's determination will be final.

(b) Lease. Franchisee must sign a Lease approved by Franchisor (or provide proof of ownership or an executed contract of sale) for the Service Center within 120 days following the Effective Date. Franchisee must submit a copy of the proposed Lease for the Service Center and any related documents to Franchisor before Franchisee executes the Lease. On Franchisee's written request, Franchisor will assist with reviewing the Lease and negotiating with Franchisee's landlord, subject to reimbursement for Franchisor's costs and expenses pursuant to Section 4.1(c). The Lease will be subject to Franchisor's prior written approval, which Franchisor will not unreasonably withhold or delay, provided that Franchisor reserves the right to disapprove any lease not accompanied by a rider including all of the provisions in Attachment 6 hereto. If Franchisor does not communicate its approval of the proposed within 20 business days following receipt by Franchisor, then the lease will be considered not approved. In any Lease, Franchisee may not create any obligations or grant any rights against Franchisor or Franchisor's affiliates or agree to any term, condition or covenant which is inconsistent with this Franchise Agreement or any related agreement. Franchisee agrees to timely perform all terms, conditions, covenants and obligations under the Lease. Franchisee may not assign, transfer or encumber the Lease or sublet all or any part of the Service Center without Franchisor's prior written approval. We require that the Lease or any renewal contain a provision which provides that the lease term is at least equal to the initial term or any renewal term of this Franchise Agreement, either through an initial term of that length or the right, at your option, to renew the lease for the full term of this Franchise Agreement. When entering into the Lease, you and the landlord must sign our form of Conditional Assignment and Assumption of Lease (the "Lease Assignment") attached as Attachment 11 hereto. You will give the landlord our form of the Lease Assignment when you begin discussions with the prospective landlord. You agree not to sign any Lease or renewal of a Lease unless you have also obtained the Lease Assignment signed by the landlord.

7.2. Construction of Service Center. Prior to opening, the Franchised Business and the Service Center will be constructed or improved by Franchisee in the manner determined by Franchisor in its discretion.

(a) Specifications. Pursuant to Section 3.4, Franchisor will provide you with a sample layout for a prototype Kiosk, In-Line Store, or Store-in-Store Location, as applicable, and a set of typical preliminary plans and specifications for, and approved sources of supply of, the Service Center's fixtures, equipment, signs and/or other trade dress elements. Franchisor reserves the right to be (and earn a profit as) an approved source or the only approved source of certain of the Service Center's fixtures, equipment and/or other trade dress elements. If Franchisor has not specified a source of supply for any such item, then Franchisee may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which Franchisor has issued in the Brand Standards Manual or otherwise. Franchisee must obtain Franchisor's advance written consent before deviating in any fashion from Franchisor's specifications.

(i) All signs at the Service Center must conform to Franchisor's sign criteria, unless Franchisor otherwise consents in writing, for good cause Franchisee demonstrates.

(ii) The sample layout and preliminary plans Franchisee furnishes Franchisor will not address the requirements of any federal, state or local law, code or regulation, including those of the Americans with Disabilities Act (the "ADA") or similar laws or rules. Franchisee alone, working with Franchisee's architect or engineer (if applicable), are responsible for ensuring that the Service Center, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary plans Franchisor furnishes Franchisee will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific FAST-FIX Service Center. Franchisee agrees, at Franchisee's expense, to employ architects, designers, engineers or others necessary to complete, adapt, modify or substitute the layout, plans and specifications for the Service Center.

(iii) Franchisee must submit a complete set of Franchisee's proposed final plans and specifications to Franchisor and obtain Franchisor's written approval of them before Franchisee seeks to register them with any governmental or quasi-governmental agency or begin construction of the Service Center. Franchisor's approval will be based on Franchisor's assessment of compliance with Franchisor's standards for new FAST-FIX Service Centers. Franchisor will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Franchisee's architect must certify to Franchisee in writing that the plans and specifications for the Service Center comply with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). Franchisee must furnish Franchisor with a copy of this certification if Franchisor ever requests it.

(iv) Franchisee agrees that any plans and specifications Franchisee prepares and submits to Franchisor will be Franchisor's property. Franchisor, Franchisor's affiliates and any other franchisees to whom Franchisor gives these plans and specifications may use them without owing Franchisee any compensation or being liable to Franchisee in any way.

(b) Construction. After acquiring the site of the Service Center by Lease or Sublease, as applicable, Franchisee shall, at Franchisee's expense, and as applicable, either construct the Service Center at the site, or convert the existing premises at the site to become the Service Center, in conformity with the final plans and specifications which Franchisor has approved (as provided in Section 3.4). Franchisee must provide Franchisor with comprehensive information regarding all phases of the development process of the Service Center as Franchisor may require, such as weekly progress reports during construction or conversion, in the format Franchisor designates. This information will include (without limitation and as applicable) the names, addresses and telephone numbers of Franchisee's architect, civil engineer, surveyor, general contractor,

subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items required for the construction or conversion of the Service Center; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers. These requirements will also apply to any construction, remodeling, renovation or refurnishing of the Service Center at any time after it opens.

(i) Franchisor will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from the Service Center's design or construction. Franchisee must obtain Franchisor's written approval for all changes to the Service Center's plans that Franchisee furnished to Franchisor pursuant to Section 7.2(a) before implementing the changes. Franchisee hereby grants Franchisor access to the Service Center while work is in progress. Franchisor will visit the Service Center during its construction one time free of cost. If Franchisee requests that Franchisor visit the Service Center during construction again or if Franchisor deems another visit necessary, Franchisee will pay all expenses associated with those additional visits. Franchisor may require any reasonable modifications of the construction of the Service Center that Franchisor considers necessary or desirable in Franchisor's reasonable business judgment. If Franchisee fails to promptly begin the design, construction, equipping and opening of the Service Center with due diligence, Franchisor may elect to terminate this Franchise Agreement immediately on notice to Franchisee.

(ii) When construction is complete and before Franchisee opens the Service Center, Franchisee's architect and general contractor must provide Franchisor with a certificate stating that the as-built plans for the Service Center fully comply with the ADA; the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Service Center.

(iii) Franchisor will have the right, but not the obligation, to conduct a final inspection of the completed Service Center before it opens. Franchisor may require any corrections and modifications Franchisor considers reasonable and necessary to bring the Service Center into compliance with the plans and specifications Franchisor approved. The Service Center will not be allowed to open if the Service Center does not conform to the approved plans and specifications, including changes thereto that Franchisor may approve.

(c) Modifications. Following the opening of the Franchised Business, except as specifically authorized by Franchisor, Franchisee shall not alter the appearance of the improvements or the Service Center. Franchisee will maintain the Franchised Business, its property and the Service Center as may be required by Franchisor or Landlord at any time and from time to time. To such end, the Franchised Business will be repaired, renovated, remodeled, replaced and altered (collectively, the "Modifications") as required by Franchisor or Landlord using an approved contractor, and Franchisee will cooperate fully with all parties in connection with the Modifications. Franchisee shall be solely responsible for the actual costs incurred for the Modifications. All Modifications performed pursuant to this Franchise Agreement shall at all times be in accordance with the terms of the Lease or the Master Lease and Sublease, as applicable, or as otherwise required by Franchisor, Franchisee's landlord, or Landlord, as applicable.

7.3. Opening. Franchisee must fulfill all of the pre-opening obligations and open the Service Center no later than 180 days following the Effective Date. Franchisee will not be allowed to open the Service Center without Franchisor's written approval, which Franchisor will not unreasonably withhold. In order to obtain Franchisor's approval to open, Franchisee must: obtain all required state, local and other required government certifications, permits and licenses, furnish to Franchisor copies of all such required permits and licenses; furnish to Franchisor copies of all insurance policies required under this Franchise Agreement or by the Landlord; attend and successfully complete the initial training to Franchisor's satisfaction (as provided in this Franchise Agreement); pay Franchisor or Franchisor's affiliates any amounts due through the date that Franchisee requests Franchisor's approval to open; execute all agreements required for opening; not be in default under any agreement with Franchisor or any affiliate of Franchisor; not be in default under, but instead be current with, all contracts or agreements with Franchisee's principal vendors, suppliers and other business creditors (including Franchisee's landlord, Franchisor and Franchisor's affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Franchise Agreement.

7.4. Signs. Franchisee agrees to maintain a display sign at its Service Center bearing the words "THIS LOCATION IS AN INDEPENDENTLY OWNED FRANCHISE OF JEWELRY REPAIR ENTERPRISES." Franchisee agrees to display Franchisor's names and the Marks at the Service Center as set forth in the Brand Standards Manual. Franchisee agrees to maintain and display signs reflecting the current image of Franchisor in the color, size, design and location (subject to the necessary approval by the Landlord) as set forth in the Brand Standards Manual. Franchisee shall not place additional signs or posters on the Service Center without the prior consent of Franchisor.

7.5. Equipment. Franchisee must acquire through approved suppliers by purchase or lease, Franchisor's current standard initial order of, specified machinery, equipment, furnishings, signs and other personal property (the "equipment") which shall be used by Franchisee in the operation of the Franchised Business as set forth in the Brand Standards Manual or as otherwise directed by Franchisor. No exceptions will be made from Franchisor's then standard initial order of products. Franchisee agrees to maintain the equipment in excellent working condition. As items of equipment become obsolete or mechanically impaired to the extent that they require replacement, Franchisee will replace such items with either the same or substantially the same types and kinds of equipment as are being utilized in other franchisees' franchised businesses at the time replacement becomes necessary. If Franchisor reasonably determines that additional or replacement equipment is needed because of a change in technology or customer demand, Franchisee will install the additional equipment or replacement equipment within the reasonable time specified by Franchisor. All equipment used in the Franchised Business shall meet Franchisor's specifications.

7.6. Stationery and Business Cards. Franchisee's stationery and business cards shall be in the formats specified by Franchisor in the Brand Standards Manual or otherwise, and must bear Franchisor's logo, Franchisee's name, address and telephone number, the line "Franchisee of Jewelry Repair Enterprises" and either of the lines "Each Fast-Fix location is Independently Owned and Operated," or "Independently Owned and Operated by (name of Franchisee)." Franchisor will furnish to Franchisee samples or mats of Franchisor's logo for this purpose, as well as for use in Franchisee's local advertising. Franchisee shall furnish to Franchisor, not later than 14 days after the procurement by Franchisee of the stationery and business cards referred to in this Section 7.6, a copy or sample of each such item.

7.7. Attire. The individual Franchisee and all of Franchisee's employees, when at the Service Center, shall wear the distinctive "Fast-Fix" uniforms or other approved attire as specified by Franchisor. Franchisee shall ensure that there is on hand at all times sufficient uniforms to outfit all employees, and shall take all necessary action to ensure that the uniforms are worn as Franchisor directs. Franchisor reserves the right to change the style, appearance or name on the uniforms, and Franchisee shall be required to promptly implement any such changes.

7.8. Franchisee's Performance.

(a) Unless otherwise agreed to by Franchisor, a Franchise Operator must personally participate in the operation of the Franchised Business. A Franchise Operator or Franchisee's approved designee shall devote, on a full-time basis, his or her best efforts for the productive operation of the Franchised Business and for advancing the interests of the franchise. For the purposes of this Franchise Agreement, "Franchise Operator" means: (i) if Franchisee is an individual, such individual; (ii) if Franchisee is an entity, an individual with a direct or indirect equity interest of at least 25% in such entity. Franchisee agrees to sign a Personal Guaranty Agreement for the Franchised Business in the form of Attachment 8 hereto.

(b) Franchisee agrees to sell or service only jewelry, watches, giftware, electronic handheld devices and other items as approved by Franchisor and in conformity with the use clause of the Lease, Master Lease or Sublease (if applicable), to follow all specifications of Franchisor as to sale or service, and to sell or service no items or any other merchandise of any kind which would tend to bring Franchisor, Franchisee or the Marks into disrepute or public scorn.

(c) Franchisee shall not sell or service any prohibited items under any Lease, Master Lease or the Sublease. Franchisee acknowledges that there is no restriction, and Franchisor makes no recommendation, with respect to the number, character, or type of individuals to be serviced by Franchisee, and Franchisee is free to deal with consumers from all segments of the general population.

7.9. Suppliers.

(a) Initial Source of Supply. Franchisee must purchase from approved suppliers Franchisor's standard initial order of equipment, inventory and trade fixtures, as set forth in the Franchisor's documents delivered to you. No exceptions will be made from Franchisor's then standard initial order of equipment, inventory and trade fixtures.

(b) Approved Specifications and Sources of Supply. Franchisee shall purchase or lease goods, services, equipment, supplies, fixtures, computer hardware and software, inventory, stationary, business cards, uniforms, advertising materials, and any other products and services used to establish and operate the Franchised Business solely from manufacturers and suppliers Franchisor authorizes in writing, as well as in accordance with any specifications that Franchisor authorizes in writing. Franchisor may revoke such authorization at any time in writing. Franchisor may designate itself, or an affiliate, as a supplier, or the exclusive supplier, of any of the products or services used to establish and operate the Franchised Business.

(c) Alternate Suppliers. If Franchisee proposes to purchase equipment, supplies, inventory or other products or services from an unapproved supplier, Franchisee shall submit to

Franchisor a request for such approval. As conditions of its approval, which it may grant or withhold in its discretion, Franchisor may require that: (i) a Dun & Bradstreet financial and business report (or similar report) concerning a proposed supplier be furnished to Franchisor; (ii) Franchisor be permitted to perform specification verification and testing; or (iii) samples from alternate suppliers be delivered to Franchisor or a designated independent testing laboratory for testing. Franchisee will pay a charge not to exceed the actual cost of the testing. Notwithstanding the foregoing, Franchisor will not unreasonably withhold the approval of such suppliers as long as the products or services conform to the appearance, quality, and uniformity standards and other specifications of Franchisor. If Franchisee does not receive written approval or disapproval within 30 days after Franchisor receives the request for such approval, such request shall be deemed disapproved.

(d) Franchisor's Revocation of Approval of a Supplier. If it at any time Franchisor determines that the products or services of a supplier no longer conform to the appearance, quality and uniformity standards or other product specifications of Franchisor, Franchisor may, at its option, either immediately revoke such supplier's approval or, in the alternative, advise the supplier in writing of product deficiencies and give the supplier a reasonable time to cure such deficiencies before approval is revoked.

7.10. Right of Entry and Inspection.

(a) Inspections. Franchisee shall permit Franchisor or its representatives to enter the Service Center or the office of Franchisee at any time during normal business hours to conduct inspections. Franchisee shall cooperate fully with Franchisor or its representatives in such inspections by rendering such assistance as they may reasonably request and by permitting them, at their option, to observe the manner in which Franchisee is selling products and rendering services, to monitor sales volume, to conduct a physical inventory, to confer with Franchisee's employees and customers, and to remove samples of any products, supplies and materials in amounts reasonably necessary to return to the office of Franchisor for inspection and record-keeping. The inspections may be conducted without prior notice at any time when Franchisee or one of its employees is at the Franchised Business. The inspections will be performed in a manner which minimizes interference with the operation of the Franchised Business. Franchisee shall pay all travel, hotel and incidental expenses incurred by Franchisor, plus Franchisor's then standard fee for such inspections (which is currently $1,000 per person per day), in connection with any visit or inspection made by Franchisor (i) to confirm whether a default under this Franchise Agreement has been satisfactorily cured or has not reoccurred, (ii) to confirm the occurrence of any default under this Franchise Agreement that it reasonably believes to have occurred, (iii) that results in Franchisor's discovery of a default under this Franchise Agreement, or (iv) to assist or supervise the curing of any default under this Franchise Agreement.

(b) Correcting Deficiencies. On notice from Franchisor, and without limiting Franchisor's other rights under this Franchise Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during such inspections, including immediately desisting from the further use of any equipment, advertising, materials, products, supplies or other items that do not conform to Franchisor's then-current requirements. In the event Franchisee fails or refuses to correct such deficiencies, Franchisor shall have the right, without any claim to the contrary by Franchisee, to enter

the Service Center or the office of Franchisee without being guilty of trespass or any other tort, for the purposes of making or causing to be made such corrections as may be required. All such corrections are at the expense of Franchisee, and Franchisee shall pay them on demand.

7.11. Operational Requirements. Franchisee agrees that it will operate its business in accordance with the standards, specifications and procedures set forth by Franchisor in the Brand Standards Manual or otherwise, which standards, specifications and procedures may be updated or modified from time to time as determined by Franchisor is its discretion. Without limiting the foregoing, Franchisee agrees to:

(a) Record all Gross Sales on the approved POS System;

(b) Comply with the procedures and systems instituted by Franchisor both now and in the future, including those relating to sales, good business practices, advertising and other obligations and restrictions;

(c) Maintain in sufficient supply (as Franchisor may prescribe in the Brand Standards Manual or otherwise in writing), and use at all times, only such inventory, equipment, materials, advertising methods and formats, and supplies in conformity with Franchisor's standards and specifications, if any, at all times sufficient to meet the anticipated volume of business, and refrain from deviating therefrom without Franchisor's prior consent;

(d) Adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, employees, independent contractors, Franchisor and the public;

(e) Purchase and install, at Franchisee's expense, all fixtures, furnishings, signs and equipment as Franchisor may reasonably specify from time to time. Franchisee agrees to refrain from installing or permitting to be installed on or about the Service Center (unless submitted in writing to Franchisor prior to purchase and installation and approved in writing by Franchisor) any products, fixtures, furnishings, signs, cards, vending machines, pinball machines, electronic or video games, lottery ticket terminals, promotional literature, equipment or other items and service concepts not previously specifically approved;

(f) Operate the Service Center on all days and hours permitted under your Lease or Sublease, unless we have otherwise approved in advance in writing; and

(g) Attend periodic national conventions and regional meetings organized by Franchisor. Travel, hotel and incidental expenses, other than those covered by national convention registration and hotel fees, are to be borne by Franchisee.

7.12. POS System. Before commencing to operate the Franchised Business, Franchisee shall procure, and install at the Service Center, the POS System. Franchisor shall designate the supplier or suppliers from whom Franchisee must purchase the various items constituting the POS System. At Franchisor's request, Franchisee shall provide any assistance Franchisor requires to bring the POS System "on-line" with Franchisor's computer at Franchisor's headquarters. Franchisor thereafter has the free and unfettered right to retrieve such data and information from Franchisee's POS System as Franchisor, in its discretion, deems necessary, desirable or appropriate. Franchisee is exclusively responsible for the cost of such retrieval. The POS System will be used to maintain and collect all customer and sales information for the Franchised Business, including the Customer Information. All of the foregoing items specified to be installed

or purchased, or acts specified to be undertaken by Franchisee, and the delivery of all hardware and software, are at Franchisee's sole expense. Franchisor may, from time to time, require that Franchisee add memory, ports and other accessories or peripheral equipment, as well as new computer hardware (including point-of-sale terminals, cash drawers, receipt printers, and touch screens), or additional, new, or substitute software to the original POS System purchased by Franchisee. Franchisor may furthermore, from time to time, require Franchisee to replace or upgrade the entire POS System with a larger or more advanced system capable of assuming and discharging all the computer-and point-of-sale-related tasks and functions Franchisor specifies. To ensure full operational efficiency and communication capability between Franchisor's computers and those of all franchised businesses, Franchisee shall, at its expense, keep the POS System in good maintenance and repair. Additionally, Franchisee shall not have the right to add or adopt any software or hardware to the POS System or any operating browser without the expresses written permission from the Franchisor. Franchisee shall pay Franchisor for the cost of support for the POS System. Franchisor will remit all payments related to the cost of support for the POS System to the POS supplier on Franchisee's behalf. Payments related to the cost of support for the SOS System may be adjusted periodically based on price increases and additional services provided. On the expiration or sooner termination of this Franchise Agreement, Franchisee shall (a) return in good condition (reasonable wear and tear excepted) all software, disks, tapes and other magnetic storage media Franchisor provides to Franchisee (if any) and (b) delete all software and applications relating to the foregoing from all memory and storage. Credit Cards and Other Methods of Payment. Franchisee shall, at all times, maintain credit card relationships with VISA, MasterCard, American Express, Diners Club, Discover and such other credit and debit card issuers or sponsors, check verification services, financial center services, and electronic fund transfer systems as Franchisor may designate in order that Franchisee may accept customers' credit and debit cards, checks, and other methods of payment. Franchisor reserves the right to require the addition or deletion of credit card relationships and other methods of payment. Franchisee shall comply with all credit card policies of Franchisor including minimum purchase requirements for a customer's use of a credit card. Franchisor may select the third party service vendor for on-line processing. Franchisee must adhere to the Payment Card Industry (PCI) Data Security Standards for credit card processing. It is solely the responsibility of Franchisee to research and understand all the rules and regulations to remain compliant with these standards.

7.13. Customer Surveys; Customer List. On the reasonable request of Franchisor, Franchisee shall present to customers such evaluation forms as are periodically prescribed by Franchisor and shall participate or request his or her customers to participate in any marketing surveys performed by or on behalf of Franchisor. Franchisee shall also maintain a current customer list (the "Customer List") containing as to each and every customer such customer's name, address, telephone number, zip code (9 digits) and email address (the "Customer Information"), and supply a copy of the Customer List to Franchisor on a quarterly basis. The Customer List shall and will always be the sole property of Franchisor. Franchisee agrees that the Customer List shall remain confidential, and agrees to abide by all state and federal privacy laws related to the Customer List. On termination or expiration of this Franchise Agreement, Franchisee agrees to provide a final Customer List to Franchisor within 5 business days.

7.14. Employment Policies. Franchisee is solely responsible for all labor and employment related-matters and decisions related to the Franchised Business, including hiring, firing, promoting, demoting and compensation (including through wages, bonuses, or benefits) its employees. Franchisee must ensure that its employees are qualified to perform their duties in accordance with the Brand Standards Manual. Franchisor does not require Franchisee to implement any

employment-related policies or procedures, or security-related policies or procedures, that Franchisor, at its option, may make available to Franchisee in the Brand Standards Manual or otherwise for Franchisee's optional use. Franchisee shall determine to what extent, if any, these policies and procedures may be applicable to its operations.

ARTICLE 8.
COVENANTS NOT TO COMPETE; CONFIDENTIAL INFORMATION; BRAND STANDARDS MANUAL

8.1. Confidential Information. Franchisee shall at all times treat and maintain the Confidential Information as confidential. Franchisee will not make unauthorized copies of any portion of the Confidential Information regardless of whether it is disclosed in electronic medium, written or other tangible or intangible form. Any paper copies of the Brand Standards Manual, at all times, shall be kept in a secure area within the Service Center. Franchisee shall strictly limit access to the Confidential Information to the employees of Franchisee, to the extent they have a "need to know" in order to perform their jobs. Franchisee shall not to disclose to anyone, nor use or exploit for its own purposes or benefit, any Confidential Information. This covenant shall survive the expiration of the Term or earlier termination of this Franchise Agreement. Franchisee shall immediately report to Franchisor the theft, loss or destruction of any paper copies of the Brand Standards Manual or other confidential materials or any portion thereof. On the theft, loss or destruction of any paper copies of the Brand Standards Manual, replacement copies, if sought by Franchisee and if then being made available by Franchisor, will be loaned to Franchisee by Franchisor at a fee of $200 per copy. A partial loss shall be considered a complete loss. Franchisee shall not at any time without Franchisor's prior consent, copy, record or otherwise reproduce any of the Confidential Information, in whole or in part. All persons whom Franchisee permits to have access to the Brand Standards Manual or any other Confidential Information, unless they have already signed and delivered such agreement, shall first be required by Franchisee to sign and deliver to Franchisor Franchisor's standard form of Nondisclosure and Noncompetition Agreement, a copy of which is attached as Attachment 5 hereto. Franchisee must obtain signed Nondisclosure and Noncompetition Agreements, in the form of Attachment 5 hereto, from all persons with an ownership or voting interest in Franchisee and certain key persons employed by Franchisee whom receive or will receive any training by Franchisee or Franchisor which is directly or indirectly related to the System, and send Franchisor a copy of each such Nondisclosure and Noncompetition Agreement on demand.

8.2. Periodic Revisions. From time to time Franchisor may revise and change the contents of the Brand Standards Manual and other instructional material. Franchisee agrees to comply with each new or changed provision beginning immediately (or such longer time as specified by Franchisor) after notice from Franchisor. Providing Franchisee with an e-mail notification or posting the revision or change of the Brand Standards Manual on Franchisor's intranet site is considered delivery of notice for purposes of this Section 8.2. Revisions to the Brand Standards Manual shall be based on what Franchisor, in its discretion, deems is in the best interests of the System, including to promote quality, enhance goodwill, increase efficiency, decrease administrative burdens, or improve profitability of Franchisor or its franchisees. Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based on the peculiarities of the particular site or circumstances, landlord requirements, business potential, population of trade area, existing business practices or any condition which Franchisor deems to be of importance to the successful operation of such franchisee's franchised business.

Franchisee shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation under this Franchise Agreement. Franchisee shall at all times ensure that any paper copies of the Brand Standards Manual in its possession contain all updates received by Franchisee from Franchisor. In the event of any dispute as to the contents of the Brand Standards Manual, the terms contained in the master copy of each of the Brand Standards Manual and other instructional material maintained by Franchisor at Franchisor's home office shall be controlling.

8.3. Prior Information. Franchisee further acknowledges that all Confidential Information, if any, received prior to the date of this Franchise Agreement was unknown to it, him or her except through disclosure by Franchisor in connection with the grant of a Franchise, and that the marketing practices and operating procedures developed by Franchisor and franchised to Franchisee for the operation of the Franchised Business are important for the success of the system. To the extent Franchisee receives any Confidential Information, and Franchisee does not object in writing to Franchisor within 30 days thereafter that any or all of the information comprising the Confidential Information should not be considered Confidential Information, then Franchisee shall be deemed to have irrevocably waived his or her right to make any such objection.

8.4. Restriction on Additional Business. During the Term, neither Franchisee nor its Affiliates or Owners, may be engaged in a Competitive Business whether located inside or outside the Territory. This restriction is imposed to protect the integrity of and the goodwill attached to the Marks and the System, to associate Franchisee closely with the franchise, to avoid possible conflicts of interest, and to prevent the dilution or diminution of Franchisee's operation which would result if it, his or her efforts were to be divided between advancing the interests of this franchise and of any other franchise or of any products or other services, and which would also tend to reduce the Royalty Fees to be paid by Franchisee.

8.5. Non-Compete. Franchisor shall acquaint Franchisee with Franchisor's products, sales methods and other business methods, as well as the use of equipment and supplies generally, and wishes to be protected from having this information used by competitors. If franchisees were permitted to hold interests in any Competitive Business, Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees within the System. Accordingly, Franchisee covenants that from the date of this Franchise Agreement through the 24-month period following the expiration of the Term or earlier termination of this Franchise Agreement, except as otherwise approved in writing by Franchisor, Franchisee or any Owner or Affiliate will not, directly or indirectly:

(a) solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any business affiliate of Franchisor to terminate or modify his, her or its business relationship with Franchisor, or to compete against Franchisor;

(b) as owner, officer, director, employee, agent, lender, broker, consultant, franchisee or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business located within a radius of 25 miles of any other Fast-Fix franchise (including company-owned outlets) (provided that this restriction shall not apply to a 5% or less beneficial interest in a publicly held corporation);

(c) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of Franchisor or any of its other franchisees;

(d) direct any prospective or existing business or economic opportunities away from Franchisor, its affiliates, or any other FAST-FIX Service Center franchisee or its Affiliates, to a Competitive Business, wherever located or operating; or

(e) perform any act prejudicial or injurious to the goodwill associated with the Marks.

If Franchisee violates the non-compete covenant in this Section 8.5 at any time during the 24-month period following the expiration of the Term or earlier termination of this Franchise Agreement, Franchisee agrees to comply with such covenant during the subsequent 24-month period, and further agrees that an arbitrator or judge may order Franchisee to comply with such covenant during the subsequent 24-month period.

8.6. Reasonableness of Provisions. Franchisee acknowledges and confirms that the scope of the activities prohibited in this ARTICLE 8, as well as length of the term and geographical restrictions contained in this ARTICLE 8, are necessary to protect Franchisor's legitimate business interests and are fair and reasonable and not the result of overreaching, duress or coercion of any kind. If Franchisee is an individual, Franchisee further acknowledges and confirms that his or her full, uninhibited and faithful observance of each of the covenants contained in this ARTICLE 8 will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this ARTICLE 8 will not impair his or her ability to obtain employment commensurate with his or her abilities and on terms fully acceptable to him or her or otherwise to obtain income required for the comfortable support of himself or herself and his or her family, and the satisfaction of the needs of his or her creditors. Franchisee acknowledges and confirms that its special knowledge of the Franchised Business (and anyone acquiring such knowledge through Franchisee) is such as would cause Franchisor and its franchisees serious injury and loss if it, he or she (or anyone acquiring such knowledge through Franchisee) were to use such knowledge to the benefit of a competitor or were to compete with Franchisor or any of its franchisees.

8.7. Severability. In the event that any court shall finally hold that the time or territory or any other provision stated in this ARTICLE 8 constitutes an unreasonable restriction on Franchisee, Franchisee agrees that the provisions of this Franchise Agreement shall not be rendered void, but shall apply as to time and territory or to such other extent as such court may judicially determine or indicate constitutes a reasonable restriction under the circumstances involved.

8.8. Franchisor's Right to Reduce Scope. Without Franchisee's consent, Franchisor, in its discretion, may reduce the scope of any covenants set forth in this ARTICLE 8. Any such reduction is effective immediately on Franchisor's delivery of notice. Franchisee shall comply immediately with any covenant as so modified. Such modified covenant is fully enforceable to the extent permitted by applicable law.

8.9. Florida Statute. Pursuant to Subsection (1)(f) of Florida Statute 542.335 ("Valid Restraints of Trade or Commerce"), Franchisor's assignees and successors are expressly authorized by Franchisee and Franchisor to enforce the restrictive covenants in this ARTICLE 8.

ARTICLE 9.
LICENSES

9.1. Licenses and Permits. It shall be Franchisee's sole responsibility to obtain any and all licenses, permits, authorizations or certifications required to operate the Franchised Business at the Service Center.

9.2. Assistance From Franchisor. Franchisor shall use reasonable efforts to provide whatever data or information it has which Franchisee may need to obtain any license, permit, authorization or certification required to operate the Franchised Business at the Service Center, but shall not be listed as the owner or operator of the Franchised Business on any license, permit, authorization or certificate or any application therefor.

ARTICLE 10.
ASSIGNMENTS

10.1. Personal Rights.

(a) The rights and duties set forth in this Franchise Agreement are personal to Franchisee. Franchisor is entering this Franchise Agreement in reliance on Franchisee's and its owners' business and personal skill, reputation, aptitude, and financial capacity. Accordingly, unless otherwise expressly permitted by this Franchise Agreement, without Franchisor's prior consent, Franchisee shall not sell, assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—this Franchise Agreement or any direct interest in this Franchise Agreement. For the purposes of this ARTICLE 10, and other related provisions of this Franchise Agreement, the terms "transfer" or "assign" refer to any of the preceding actions. Franchisor may grant or withhold its consent to any transfer or assignment in its discretion.

(b) Further, if Franchisee is a corporation, limited liability company, limited partnership, or other entity, Franchisee shall provide Franchisor with prior notice of any proposed transfer or assignment of voting or ownership interests therein. A transfer or assignment of any such voting or ownership interests—individually or in the aggregate, directly or indirectly—is considered a transfer of an interest in this Franchise Agreement by Franchisee, as is a transfer or assignment of all or substantially all of Franchisee's assets. Any purported or attempted transfer or assignment by Franchisee—by operation of law or otherwise—in violation of this Franchise Agreement is null and void, and a material breach of this Franchise Agreement.

(c) Except as expressly permitted under Section 15.17, neither Franchisee nor its owners (or their respective owners) may create, permit, or suffer a lien against, nor pledge, mortgage, hypothecate, grant a security interest in, or in any manner encumber this Franchise Agreement (or any interest herein) or any of Franchisee's other assets used in connection with the Franchised Business or any of the voting or ownership interests in Franchisee (or in any owner of Franchisee). Any act described in the foregoing sentence is considered a transfer or assignment of an interest in this Franchise Agreement by Franchisee.

10.2. Permitted Transfers. In addition to any other conditions Franchisor may impose, unless all the following conditions are satisfied to Franchisor's satisfaction —any of which Franchisor, in its discretion, may waive—Franchisor need not consent to a transfer or assignment of any interest in this Franchise Agreement:

(a) The proposed assignee meets Franchisor's then-current standards for evaluating prospective purchasers of new franchises, including the proposed assignee's demonstration, that it, or its owners, as applicable (i) possess the business and personal skills, reputation, and financial capacity Franchisor requires; (ii) has properly assumed, and has the financial and professional ability to comply with, all of Franchisor's obligations

relating to the Franchised Business; and (iii) possess good character and will enhance the System and the public goodwill relating thereto;

(b) The terms relating to the assignment or transfer have been provided to Franchisor at least 30 days prior to the scheduled closing date and the closing statement or other related closing documentation have been provided to Franchisor at least 3 days prior to the scheduled closing date, in each case for its review to ensure that Franchisor is satisfied that such terms meet its minimum requirements with respect to the financial ability of the assignee to operate, and such terms and documents have not materially changed without the consent of Franchisor after such terms and documents were provided to Franchisor;

(c) Franchisee provides at least 30 days prior notice of such transfer or assignment to all of its suppliers and vendors;

(d) Payment of all outstanding debts by Franchisee including all payments owing to Franchisor, Landlord, suppliers, vendors, leasing companies, and governmental taxing and licensing authorities;

(e) Cure by Franchisee of any and all defaults and non-compliance under this Franchise Agreement, the Sublease or the Brand Standards Manual or other instructional material;

(f) Execution of the then-current form of franchise agreement and sublease by the proposed assignee, which forms may contain materially different terms than those being entered simultaneously with this Franchise Agreement, including higher Royalty Fees; the term of the transferred franchise agreement will include the remaining unexpired term of the assignor;

(g) Payment by the proposed assignee of the then-current transfer fee (currently $5,000);

(h) Satisfactory completion of the basic training described in Section 3.5 by the proposed assignee and other required personnel and payment of the then-current Franchisor's fee for training (currently $7,500);

(i) Execution of an acknowledgment or receipt by proposed assignee as to a receipt by assignee of the applicable franchise disclosure documents at least 14 days prior to any such proposed assignment or the payment of any consideration therefore;

(j) Receipt of all information requested by Franchisor to evaluate the proposed assignee, including its financial statements, the management, business and educational experience, and financial status;

(k) Execution of a general release of any and all claims by Franchisee and its owners as well as the transferee and transferee's owners in favor of Franchisor, its Affiliates, and their respective shareholders, officers and directors;

(l) Compliance by Franchisee with Section 10.11 and Franchisor not exercising its right of first refusal;

(m) If required, renovation of the Service Center to conform to Franchisor's or Landlord's then-current standard for franchises;

(n) Franchisee's landlord must consent in writing to the transfer of the Lease (if applicable);

(o) Execution by all required parties, and delivery to Franchisor, of documentation acceptable to Franchisor evidencing such parties' continuing liability under Section 10.6; and

(p) Timely satisfaction by Franchisee and the proposed assignee of any other conditions Franchisor reasonably imposes.

10.3. Transfers to Related Parties. Franchisee, if one or more individuals, will have the right to transfer or assign this Franchise Agreement to a corporation, limited liability company or a partnership, wholly owned by that individual or individuals, without any additional payment to Franchisor; subject, however, to satisfaction of all of the following conditions—any of which Franchisor, in its discretion, may waive:

(a) That the individual or individuals constituting Franchisee collectively own all of the issued and outstanding equity of such entity, that a list of owners be delivered to Franchisor and that each such owner delivers a certificate to Franchisor, in form and substance satisfactory to Franchisor, that he or she has no interest in any Competitive Business and that he or she agrees that no additional equity will be issued at any time without Franchisor's consent;

(b) That the corporation unconditionally assumes all of the obligations of Franchisee under this Franchise Agreement, the Sublease and any other agreement executed in connection with this Franchise Agreement;

(c) That Franchisee pays to Franchisor all amounts then payable by it to Franchisor pursuant to this Franchise Agreement;

(d) That all corporate documentation requirements provided for within Section 15.9 of this Franchise Agreement be delivered to Franchisor; and

(e) That a document or documents reflecting the foregoing provisions and acceptable to Franchisor be signed and delivered to Franchisor by the assigning Franchisee, the new corporate Franchisee and Franchisor.

10.4. Approval of Transfer. In any event, Franchisor's approval of a proposed transfer is not an expression of its opinion concerning the appropriateness or fairness of the terms of the transfer or the likelihood of the transferee's success. If Franchisor disapproves of the transfer because all the transfer conditions contained in this ARTICLE 10 or elsewhere in this Franchise Agreement have not been satisfied or for any other reason, it has no liability of any nature to Franchisee or the transferee in connection therewith.

10.5. No Waiver. Franchisor's consent to a transfer does not constitute a waiver of (a) any claims it may have against Franchisee (or the transferor if different) or (b) Franchisor's right to demand the transferee's exact compliance with all the terms of this Franchise Agreement.

10.6. Continuing Liability. In no event will any transfer or assignment (including a transfer pursuant to Section 10.3) by Franchisee or any other person or their respective owners release any such parties from liability for their respective conduct before the transfer or assignment, or from their respective obligations under this Franchise Agreement or the Sublease, including conduct in breach of this Franchise Agreement or the Sublease. Additionally, on transfer or assignment, Franchisee, any other transferor or assignor and their respective owners shall become jointly and severally liable with each other and the transferee or assignee for the performance of the transferee's or assignee's obligations and undertakings under the transferee's or assignee's franchise agreement and sublease, as they may be renewed, extended or amended.

10.7. No Increased Risk. Franchisor reserves the right to withhold consent to any proposed assignment or transfer that would result in Franchisor having any increased risk, burden or chance of not obtaining performance.

10.8. No Bankruptcy Assignments. Notwithstanding anything in this Franchise Agreement to the contrary, Franchisee shall not make, permit, or suffer any transfer of this Franchise Agreement, or any interest therein, or the sublease for the Service Center if it, or any of its owners, is the subject of either a voluntary or involuntary bankruptcy proceeding. For the purposes of the foregoing sentence, a debtor's or trustee-in-bankruptcy's assumption of this Franchise Agreement or the sublease under Section 365 of the Bankruptcy Act (11 U.S.C. §365), or any other Section thereof, is considered a transfer of this Franchise Agreement by Franchisee.

10.9. Death or Incapacity. The provisions of this Section 10.9 apply to (a) any individual that holds a 10% or greater voting or ownership interest in Franchisee (or in any of Franchisee's owners) and (b) any individual that is Franchisee. In the event of the death or incapacity (incapacity defined herein as the inability according to competent medical authority to perform the duties and obligations under this Franchise Agreement for a period of three months or more as the result of illness or injury) of any such individual, Franchisor shall have the option to require such individual's executor, administrator, conservator, guardian, or other personal representative to transfer, within six months of the date of death or incapacity, his or her interests in Franchisee (or in any of Franchisee's owners) or in this Franchise Agreement in accordance with the terms of this ARTICLE 10. In addition, such individual's legal representative shall promptly deliver to Franchisor on request any information as to what actions are being taken to prevent or minimize the interruption of the Franchised Business, and Franchisor, in its discretion, may render whatever assistance is requested by such individual's legal representative to minimize such interruption. Franchisor shall be entitled to reimbursement, within 30 days of invoice, from Franchisee or such individual for any reasonable expenses incurred in connection with any such assistance that Franchisor does not deem assistance provided pursuant to other provisions in this Franchise Agreement.

10.10. Assignment by Franchisor. Without Franchisee's consent, Franchisor has the absolute right to sell, assign, transfer or delegate all or any part of its rights, privileges or duties under this Franchise Agreement to an Affiliate or third party without restriction.

10.11. Franchisor's Right of First Refusal.

(a) If at any time from the date of this Franchise Agreement through the expiration of the Term or the earlier termination of this Franchise Agreement: (i) any person who owns at least a 10% ownership or voting interest in Franchisee (or in any entity with an ownership interest in Franchisee) receives an arm's length written bona fide offer from an independent third party to purchase any portion or all of such person's interest (the portion or all of such person's interest hereinafter referred to as the "Interest," and such type of offer later referred to as the "Interest Offer"); or (ii) Franchisee shall receive an arm's length written bona fide offer from an independent third party to purchase any portion or all of Franchisee's interests under this Franchise Agreement or, outside the ordinary course of business, a material part or all of the assets used in the Franchised Business and the Service Center if owned by Franchisee or an Affiliate (such assets subject to the offer later referred to as the "Assets", and such type of offer later referred to as the "Asset Offer"), then Franchisee shall ensure that such person receiving the Interest Offer, or Franchisee receiving the Asset Offer (as the case may be, and in either case the person receiving such third party's bona fide offer is hereinafter referred to as the

"Offeror") shall, if it, he or she desires to accept such offer, first offer to sell to Franchisor the Interest or the Assets for the consideration and on the terms and conditions set forth in such third party's written offer. The Offeror's offer (the "Offer") shall be made by notice to Franchisor setting forth the name and address of the prospective purchaser, the price and terms of the Offer together with a franchise application completed by the prospective purchaser, and any other information that Franchisor may reasonably request in order to evaluate the Offer including any purchase and sale and related agreements proposed to be executed or executed by Franchisee or the third party. Franchisor shall have the first option to purchase the Interest or the Assets by accepting the Offer, within 30 days after its receipt of the Offer and required information. A "bona fide" offer shall be specific as to parties, purchase price, timing, financing, conditions, deposit and title.

(b) If Franchisor gives notice of acceptance of the Offer, then the Offeror shall sell the Interest or the Assets to Franchisor and Franchisor shall purchase the Interest or the Assets from the Offeror, for the consideration and on the terms and conditions set forth in the Offer, less any broker's commission not due if Franchisor exercises its right of first refusal but due and payable by the Offeror on the sale to the prospective purchaser. Franchisor's creditworthiness shall be deemed at least equal to the creditworthiness of any proposed purchaser. If Franchisor is a public company at such time having shares traded on a national securities exchange, the Offeror must accept the then-current value of Franchisor's registered shares in lieu of cash or other consideration.

(c) If an independent third party's written offer (and the Offeror's corresponding offer to Franchisor) provides for the purchaser's payment of a unique consideration which is of such a nature that it cannot reasonably be duplicated by Franchisor, then Franchisor may, in its notice of exercise, in lieu of such unique consideration, substitute a cash or stock (if a public company with registered shares) consideration in an amount determined by mutual agreement of the Offeror and Franchisor within 45 days after the Offer is made or, failing such agreement, by an independent appraiser selected by Franchisor.

(d) If the proposed sale includes assets of the Offeror not related to the operation of the Franchised Business, Franchisor may, at its option, elect to purchase only the assets related to the operation of Franchised Business and an equitable purchase price shall be determined in the reasonable discretion of Franchisor and allocated to each asset included in the proposed sale.

(e) Unless otherwise agreed by the Offeror and Franchisor, the closing of the purchase of the Interest or the Assets shall be held at Franchisor's then principal office or other location designated by Franchisor, on no later than the 60th day after the Offer is delivered to Franchisor, provided that the closing of any such purchase for which a cash or stock consideration is determined in accordance with Section 10.11(b) or 10.11(c) shall be held on the 15th day after such cash or stock consideration is finally determined. At any such closing, the Offeror shall deliver to Franchisor an assignment and other documents reasonably requested by Franchisor representing a transfer of ownership of the Interest or the Assets free and clear of all liens, claims, pledges, options, restrictions, charges and encumbrances, in proper form for transfer and with evidence of payment of all applicable transfer taxes by the Offeror. In such assignment documents, Franchisee and its owners agree to make all customary representations and warranties given by the seller of assets of a business or the ownership interests in a legal entity, as applicable. Franchisor shall

simultaneously therewith make payment of any cash consideration for the Interest or Assets by a cashier's check drawn on a bank or thrift doing business in the county of Franchisor's principal place of business or payment by the issuance of Franchisor's registered shares, after set off against the amount due to the Offeror for all amounts Franchisee owes Franchisor, if any. The remaining terms and conditions of such purchase and sale shall be set forth in the Offer.

(f) If Franchisor does not accept the Offer as provided above, the Offeror shall be free, for a period of 60 days after Franchisor has elected not to exercise its option, to sell the Interest or the Assets to the independent third party for the consideration and on the terms and conditions specified in such third party's written offer, subject to full compliance with all terms and conditions of transfer required under this Franchise Agreement. It shall be a condition precedent to any sale of the Assets or the Interest to an independent third party that there is delivered to such third party an acknowledgment that the Assets or the Interest purchased by such third party is and shall be subject to the terms and conditions of this Franchise Agreement and that such third party agrees to be bound to the terms of this Franchise Agreement with respect to transferring the Assets or the Interest, in the same manner as the Offeror. If the Offeror does not sell the Assets or the Interest or the Assets as provided above within the aforesaid 60-day period, then any transfer by it, him or her of the Interest or the Assets shall again be subject to the restrictions set forth in this Franchise Agreement.

(g) In the event a proposed transferee is the spouse, son, or daughter of the Offeror, Franchisor shall not have any right of first refusal; provided, however, that all such transferees shall be subject to all of the restrictions on transfer of ownership imposed on the Offeror under this Franchise Agreement.

ARTICLE 11.
INDEMNIFICATION AND INSURANCE

11.1. Insurance. Throughout the Term, Franchisee shall purchase and maintain in effect such types of insurance in such amounts as Franchisor, Landlord or Franchisee's landlord may require, including policies of at least the following types and coverage amounts:

(a) A Comprehensive General Liability Policy, including Products Liability, in the amount of $2,000,000/$3,000,000 bodily injury, death and property damage liability, or in such other amounts as Franchisor or Landlord may reasonably request, for the operation of the Franchised Business;

(b) Motor vehicle coverage, in the amount of $50,000/100,000 including coverage for the acts of any employee or agent of Franchisee while driving vehicles not owned by Franchisee within the scope of the employee or agent's employment or agency;

(c) Such worker's compensation coverage as may be required by any applicable state law;

(d) In connection with the construction, refurbishment, renovation or remodeling of the Service Center, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to Franchisor;

(e) Fire and extended coverage, vandalism, malicious mischief and special extended coverage insurance to the extent of 100% of the replacement value of the Service Center, including the structure, if applicable, and all leasehold and building improvements to the Service

Center, as well as the cost of replacement of all fixtures, equipment, contents and personal property therein;

(f) Business interruption insurance, in an amount equal to one year's annual rent payments under the Lease plus (i) if the Franchised Business has been in operation for less than 12 months at the time such insurance is required to be in effect, $14,400 or (ii) if the Franchised Business has been in operation for 12 months or more at the time such insurance is required to be in effect, an amount equal to the greater of (A) the Royalty Fees for the preceding calendar year and (B) $14,400; and

(g) Bailee's or Jeweler's Block insurance sufficient to cover losses relating to any items delivered to the Service Center by a customer or other party.

Franchisee agrees that the amounts of coverage or extent of coverage stated in this Section 11.1 are minimum and that if the Landlord or Franchisor determine in their discretion the Franchised Business dictates additional types of insurance (including, but not limited to, employment practices liability insurance) or broader or higher coverage amounts, the same shall be immediately procured by Franchisee pursuant to the terms hereof. To the extent legally permissible, all such insurance policies shall name Franchisor and Landlord as an additional insured and loss payee.

11.2. Insurance Certificates. No later than the start of the Term and by January 15th of each year of the Term, Franchisee shall provide Franchisor with certificates of insurance and a copy of a cleared check or evidence required by Franchisor showing that such insurance is in full force and effect and is in compliance with the requirements of this ARTICLE 11, along with a paid receipt showing the certificate number. The certificate of insurance must include a statement by the insurer that the policy or policies must not be canceled, subject to nonrenewal, or materially altered without at least 30 days' prior notice to Franchisor. On Franchisor's request, Franchisee shall send to Franchisor current certificates of insurance, proof of payment and copies of all insurance policies.

11.3. Notice of Claims. Franchisee shall immediately notify Franchisor of any claims arising under any of the aforesaid policies of insurance, as well as any actual or contemplated cancellation or modification of any insurance coverage pertaining to the Franchised Business.

11.4. Waiver of Subrogation. To the extent this Section 11.4 may be effective without invalidating, or making it impossible to secure, insurance coverage from responsible insurance companies doing business in the state in which the Franchised Business is located (even though an extra premium may result), with respect to any loss covered by insurance Franchisor and Franchisee then carry, neither party's insurance companies have any right of subrogation against those of the other.

11.5. Indemnification By Franchisee. Franchisee agrees to indemnify, defend, and hold harmless Franchisor, Franchisor's affiliates, and Franchisor's and Franchisor's affiliates' respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the establishment, construction, opening and operation of the Franchised Business, the business Franchisee conducts under this Franchise Agreement, any transfer or sale by Franchisee of the Franchised Business, Franchisee's noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including any allegation that Franchisor is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to its employees, or Franchisee's breach of this Franchise Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims,

obligations, or damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee's expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this subparagraph.

11.6. Notices to Franchisor. Franchisee shall notify Franchisor in writing within five days of the occurrence of any of the following events in connection with the Franchised Business:

(a) The actual commencement of, any action, suit, countersuit or other proceeding against Franchisee;

(b) The receipt of any notice of noncompliance by Franchisee with any law, rule or regulation; or

(c) The issuance of any order, writ, injunction, award or decree by any court, agency or other governmental instrumentality against Franchisee.

Franchisee shall provide Franchisor, within five days of request, any information regarding each such event.

ARTICLE 12.
DEFAULT; TERMINATION

12.1. Default. The occurrence of any of the following events shall constitute a default and, after the expiration of any cure period specified below, shall be good and sufficient cause for Franchisor, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Franchise Agreement on notice to Franchisee:

(a) If Franchisee does not secure the site for the Service Center within the time limits and following the procedures specified in ARTICLE 7 of this Franchise Agreement;

(b) If Franchisee fails to open the Service Center for business within 180 days after the Effective Date;

(c) If (i) Franchisee shall be adjudicated a bankrupt, becomes insolvent, or if a receiver (permanent or temporary) of its property or any part thereof is appointed by a court of competent authority; (ii) Franchisee makes a general assignment for the benefit of creditors; (iii) a final judgment against Franchisee remains unsatisfied of record for 30 days or longer (unless a supersedeas bond is filed); or (iv) execution is levied against

Franchisee's business or property, or suit to foreclose any lien or mortgage against the Service Center or equipment is instituted against Franchisee and not dismissed within 30 days;

(d) If Franchisee fails to pay Franchisor, its affiliates or suppliers any amount (including but not limited to the Royalty Fees in Section 4.2 and the advertising requirements in Section 4.3) due under this Franchise Agreement or any other agreement, and such default is not cured within 10 days after notice thereof by Franchisor or such other party;

(e) If Franchisee fails to submit the monthly and annual statements or other financial statements or data or reports on Gross Sales as and when required pursuant to this Franchise Agreement, and such default is not cured within 10 days after notice thereof, or if Franchisee makes any intentionally false statement in connection therewith;

(f) If Franchisee breaches any obligation or requirement (not otherwise addressed in this Section 12.1) set forth in this Franchise Agreement, as may be supplemented by the Brand Standards Manual or any other instructional material, and such default is not cured within 10 days after notice thereof;

(g) If Franchisee receives three or more notices of default under this Franchise Agreement or any other agreement with Franchisor or any of its Affiliates (including the Sublease or any other franchise agreement or sublease), as may be supplemented by the Brand Standards Manual and any other instructional material (whether for the same or different defaults and regardless of whether such defaults were cured);

(h) If Franchisee suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Franchised Business, and permits the same to go uncorrected for a period of 10 days after notice thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

(i) If a serious or imminent threat or danger to public health or safety results from the construction, maintenance or operation of the Franchised Business and such threat or danger remains uncorrected for two days after delivery by Franchisee of written notice thereof from Franchisor, Landlord, or a governmental authority, unless a cure cannot be reasonably completed in such time, in which event Franchisee will immediately begin to take all reasonable steps to cure, and such cure is not completed within 30 days (or such shorter time as specified by the Lease or Master Lease, if applicable) after delivery of such notice;

(j) If Franchisee, Franchise Operator, or any officer, director, owner or managerial employee of Franchisee, pleads guilty to, pleads no contest to or is convicted of a felony, a crime of moral turpitude or any other crime or offense or is alleged to have committed such offense that Franchisor believes is likely to have a material adverse effect on the System or the goodwill associated with the Marks;

(k) If Franchisee, after the expiration of all redemption periods, loses the right to possess the Service Center and Franchisee is not otherwise entitled to relocation pursuant to Section 3.2 (or Franchisor elects not to provide site relocation assistance as provided in Section 3.2);

(l) Franchisee denies or otherwise interferes with Franchisor's right to inspect the Franchised Business or to audit the sales and accounting records of the Franchised Business, or fails to comply with sales audit recommendations to correct significant internal control deficiencies;

(m) If Franchisee engages in conduct which is harmful to or reflects unfavorably on Franchisee or the System in that such conduct exhibits a reckless disregard for the physical or mental well-being of employees, customers, Franchisor's representatives or the public at large, including, but not limited to battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in Franchisor's discretion;

(n) If, except as expressly permitted by this Franchise Agreement, any person attempts or purports to transfer or assign this Franchise Agreement, or any interest, rights or obligations under this Franchise Agreement, without Franchisor's prior consent or otherwise breaches any of the provisions of ARTICLE 10;

(o) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor, or otherwise fails to maintain full, complete and accurate books of account and records pursuant to Section 4.9;

(p) If Franchisee makes any unauthorized use or disclosure of the Confidential Information or the Marks, or any breach of the covenants of ARTICLE 7 or ARTICLE 8 (or any other provision relating to Franchisee's obligations relating to confidentiality or noncompetition) occurs;

(q) If Franchisee, except as expressly permitted under Section 15.17, creates, permits, or suffers a lien against, or pledges, mortgages, hypothecates, grants a security interest in, or in any manner encumbers this Franchise Agreement (or any interest herein) or any of Franchisee's other assets used in connection with the Franchised Business or any of the voting or ownership interests in Franchisee (or in any owner of Franchisee);

(r) If Franchisee fails to permanently correct a breach of this Franchise Agreement or to meet the standards set out in the Sublease (if applicable) or the Brand Standards Manual after receiving 3 requests in writing by us to correct the same or a similar breach in any 12 month period; or

(s) If Franchisee defaults under the Lease, the Sublease or any other agreement between Franchisee and Franchisee's landlord and Franchisee does not cure the default within the period specified in the Lease, the Sublease or other agreement.

12.2. Cross Default and Termination. If Franchisee or any of its Affiliates defaults under any other agreement with Franchisor or any of its affiliates (including the Sublease, if applicable, or any other franchise agreement or sublease), and such default is not cured within any permitted period, if any, as provided in such other agreement, such default is deemed a default under this Franchise Agreement. If, as a result of such default or the exercise of any other termination right, Franchisor or its affiliates terminate such other agreement, Franchisor may immediately terminate this Franchise Agreement on notice to Franchisee without providing Franchisee with any additional opportunity to cure. Likewise, if Franchisee or any of its Affiliates defaults under this Franchise Agreement, such default is considered a default under any other agreement with Franchisor or any of its affiliates (including, without limitation, any sublease or franchise

agreement); and Franchisor may terminate any of such other agreements on notice to Franchisee without providing Franchisee with any additional opportunity to cure.

12.3. Effect of Termination. On the expiration of the Term or sooner termination of this Franchise Agreement, all rights granted under this Franchise Agreement to Franchisee terminate immediately, and the provisions of this Section 12.3 shall apply to the rights and obligations of the parties.

(a) Franchisee's authorization to use in any manner the Fast-Fix name or the Marks shall immediately terminate. Franchisee shall immediately discontinue the use of the System and the Marks, and the use of any and all signs and printed goods bearing the Marks, or any reference to them. Franchisee shall not thereafter, directly or indirectly: (i) identify itself in any manner as a franchisee of Franchisor; (ii) publicly identify itself as a former franchisee; (iii) use any of Franchisor's Confidential Information, the Marks, or trade names, service marks or trademarks similar to or likely to be confused with any of the Marks; or (iv) use the Fast-Fix name, the Marks, or any other name or trademark that contains the words "Fast," "Fix," "Jewelry Repair," "Jewelry and Watch Repair," or any phonetic or confusingly similar words, in connection with any business, including a Competitive Business. Franchisee must take such action as may be required to cancel all fictitious or assumed name(s) or equivalent registrations relating to Franchisee's use of any of the Marks and, at Franchisor option, to assign to Franchisor (or its designee) or cancel any electronic address, domain name or website, or rights maintained in connection with any search engine, that associates Franchisee with Franchisor, the System, or the Marks. Further, not later than 10 days after the expiration or sooner termination of this Franchise Agreement, Franchisee shall remove, or cause to remove, as the case may be, all references existing on the internet—whether direct or indirect or human-readable or machine-readable only—to the Franchised Business, the System (including the Marks), or Franchisor or its owners, officers, or employees.

(b) Franchisor or its designee shall have the first priority option (but not the obligation) to purchase any or all Franchisee's equipment at its Designated Value, and if Franchisor exercises such option, Franchisee shall sell such items to Franchisor at such price, free and clear of all liens, claims and other encumbrances. "Designated Value" shall mean the lesser of (i) fair market value and (ii) Franchisee's cost less depreciation on a straight line basis of 10% percent per year.

(c) Franchisee will vacate the Service Center immediately, or, at the option of Franchisor, will immediately make such removals or changes in signs and colors of the Service Center as Franchisor shall reasonably request so as to distinguish effectively the Service Center from their former appearance and from other FAST-FIX businesses. If Franchisee fails to make such changes, then Franchisor may enter on the Service Center and make such changes at Franchisee's expense, without being guilty of trespass or any other tort or criminal act. Additionally, if the Service Center is not subleased by Franchisor or its affiliates to Franchisee, Franchisor shall have the option to require Franchisee to assign its leasehold interest in the Service Center to Franchisor.

(d) Franchisee shall return to Franchisor all paper copies of the Brand Standards Manual and other instructional documents, materials or manuals, display items, promotional aids and writings bearing the FAST-FIX name. Franchisee shall immediately cease using any telephone numbers for the Franchised Business used at any time before such expiration or termination. To ensure that Franchisee has ceased using such telephone numbers on

termination of this Franchise Agreement or its expiration, Franchisee has authorized Franchisor to take whatever actions are necessary to comply with the foregoing in accordance with the Conditional Assignment of Telephone Numbers and Listings attached as Attachment 4 hereto, which Franchisee is executing simultaneously with this Franchise Agreement.

(e) In the event of termination for any default of Franchisee, the extent of all damage which Franchisor has suffered by virtue of such default shall be and remain a lien in favor of Franchisor against any and all of the personal property, machinery, fixtures and equipment owned by Franchisee on the Service Center at the time of such default.

12.4. Liquidated Damages for Premature Termination. In the event of termination as the result of Franchisee's default, Franchisee agrees to pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Franchise Agreement and not as a penalty) equal to the total of all Royalty Fees and minimum required advertising expenditures for: (a) if the Franchised Business has been in operation for 36 months or more at the time of default and more than 36 months remain in the Term, the 36 calendar months of operation of the Franchised Business preceding Franchisee's default; (b) if the Franchised Business has been in operation for less than 36 months at the time of default, the period of time the Franchised Business has been in operation preceding the default, projected on a 36 calendar month basis; or (c) if the Franchised Business has been in operation for 36 months or more at the time of default and less than 36 months remain in the Term, the period equal to the unexpired Term at the time of default using the greater of: the monthly average royalty payment for the preceding 36 month period, or the minimum annual royalty rate. As a purely liquidated damages provision, this Section 12.4 does not preclude, nor is inconsistent with, a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Franchisor's rights to liquidated damages and specific performance or any other equitable relief are not mutually exclusive. **THIS LIQUIDATED DAMAGES FORMULA IS STIPULATED TO BE ACCEPTABLE TO ALL PARTIES AND TO BE USED BY ANY COURT OF COMPETENT JURISDICTION IN CALCULATING THE AWARD OF DAMAGES TO US FOR TERMINATION OF THIS FRANCHISE AGREEMENT.**

ARTICLE 13.
GOVERNING LAW; DISPUTE RESOLUTION

13.1. Choice of Forum. The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Franchise Agreement occurred or shall occur in Broward County, Florida, and that, therefore, each of the parties irrevocably and unconditionally:

(a) Agrees that legal proceedings arising out of or relating to this Franchise Agreement: if in court, shall be brought only in the courts of record of either the State of Florida in Broward County or the United States District Court for the Southern District of Florida; and, if in arbitration, shall be conducted only in Broward County, Florida and shall be enforced by courts of record of either the State of Florida in Broward County or the United States District Court for the Southern District of Florida;

(b) Consents to the jurisdiction of each such court in any suit, action or other legal proceeding brought in accordance with the terms of this Franchise Agreement;

(c) Waives any objection which he, she or it may have to the location or venue of any suit, action, arbitration, or other legal proceeding brought in accordance with the terms of this Franchise Agreement; and

(d) Agrees that service of any court paper or arbitration notice may be effected on such party pursuant to Section 15.7 or in such other manner as may be provided under applicable laws in the State of Florida or relevant court or arbitration rules.

Notwithstanding the foregoing or anything else in this Franchise Agreement to the contrary, Franchisor may seek: (i) equitable or injunctive relief or (ii) a decree of specific performance in any jurisdiction.

13.2. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Franchise Agreement and any other agreement relating thereto, and all transactions contemplated thereby, as well as Franchisor's offer, sale, or negotiation of a Fast-Fix franchise or the relationship of the parties arising therefrom or from entering this Franchise Agreement, are governed by, and must be construed and enforced in accordance with, the internal laws of Florida, without regard to its conflict-of-laws principles. NOTWITHSTANDING THE FOREGOING, ANY STATUTES IN THE FOREGOING JURISDICTION REGULATING THE OFFER OR SALE OF FRANCHISES, BUSINESS OPPORTUNITIES, OR SIMILAR INTERESTS OR GOVERNING THE RELATIONSHIP BETWEEN THE PARTIES TO THIS FRANCHISE AGREEMENT, OR BETWEEN FRANCHISOR AND FRANCHISEE'S GUARANTORS AND OWNERS, IF ANY, DO NOT APPLY UNLESS THEIR RESPECTIVE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION 13.2.

13.3. Enforcement Costs. If any legal action, arbitration, or other proceeding is instituted for the enforcement of this Franchise Agreement in connection with any dispute, the successful or prevailing party or parties is entitled to recover reasonable attorneys' fees (including pre-institution and post-institution fees), court costs and all expenses even if not taxable as court costs (including all such fees, costs and expenses incident to appellate, bankruptcy and post-judgment proceedings), incurred in connection with such action or proceeding, in addition to any other relief to which such party or parties may be entitled. If Franchisor is required to engage legal counsel or other professionals in connection with any failure by Franchisee to pay when due any monies owed under this Franchise Agreement or submit when due any reports, information or supporting records, or in connection with any failure otherwise to comply with this Franchise Agreement, Franchisee shall reimburse Franchisee on demand for all of the above-listed costs and expenses it incurs, whether or not a legal action, arbitration, or other proceeding is initiated.

13.4. Injunctive Relief/Specific Performance. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct (including, without limitation, conduct under Article 7, Article 8, or Section 12.1, or the unauthorized use of the Marks) in any court of competent jurisdiction that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee recognizes that the Franchised Business is, or is intended to be, one of a large number of businesses identified by the Marks in selling to the public the services associated with the Marks. Consequently, the failure by a single Franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Franchisor or to some or all of the other franchisees within the system and damages at law would be an inadequate remedy. Therefore, in the event of a breach or threatened breach by Franchisee of this Franchise Agreement, Franchisor may seek an injunction restraining such breach or a decree of specific performance (together with recovery of reasonable attorneys' fees and costs incurred in obtaining such equitable relief at all trial and appellate levels). It may do so without demonstrating or proving any irreparable damage. Moreover, Franchisor may seek such relief without posting any bond or security (but if a court of competent jurisdiction requires a bond or security, Franchisee agrees

and acknowledges that a bond or security of $1,000 will be adequate). The foregoing equitable remedies are in addition to all other rights or remedies to which Franchisor may otherwise be entitled to because of any breach of this Franchise Agreement by Franchisee.

13.5. Arbitration and Dispute Resolution. Except as otherwise provided in Section 13.4, in the event any dispute, claim, or controversy should arise between the parties hereto in connection with, arising from, or relating to: any provision of this Franchise Agreement; the relationship of the parties hereto; the existence, validity, performance, termination, or enforceability of this Franchise Agreement or any other agreement entered into by Franchisor or its subsidiaries or affiliates and Franchisee; the offer, making, or interpretation of this Franchise Agreement or any other agreement entered into by Franchisor or its subsidiaries or affiliates and Franchisee; a breach of this Franchise Agreement or any other agreement entered into by Franchisor or its subsidiaries or affiliates and Franchisee; any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim by Franchisee or any Persons in Privity (as defined below) with Franchisee with or claiming through, on behalf of or in the right of Franchisee related to any of the above-described disputes, claims, or controversies; or the arbitrability of any of the above-described disputes, claims, or controversies, including the existence, scope or validity of this Franchise Agreement or this arbitration provision ("Arbitrable Disputes") shall be submitted to final and binding arbitration as the sole and exclusive remedy if and after the procedure for negotiation outlined herein has failed. It is explicitly agreed by each of the parties hereto that no such arbitration shall be commenced except in conformity with this Article 13.

13.6. Persons in Privity. "Persons in Privity" with or claiming through, on behalf of, or in the right of Franchisee include but are not limited to spouses, family members, domestic partners, heirs, executors, trustees, representatives, successors and assigns.

13.7. Claims Limitation. Except for claims brought by Franchisor with regard to Franchisee's obligations to make payments to Franchisor and to indemnify Franchisor pursuant to this Franchise Agreement, any and all claims and actions arising out of or relating to this Franchise Agreement (including, but not limited to, Arbitrable Disputes) shall be barred unless commenced within the earliest of either (1) two years from the date on which the act or event giving rise to the claim occurred; or (2) one year from the date on which Franchisee or Franchisor knew or should have known in the exercise of reasonable diligence of the facts giving rise to such claim or action, unless different rules are required to be applied in connection with statute of limitations set forth under applicable law.

13.8. Negotiation Process. The parties will first attempt to resolve any Arbitrable Disputes by negotiation in accordance with the following procedure:

(a) First Notice. Any party wishing to initiate consideration of an Arbitrable Dispute hereunder shall first give written notice (a "First Notice") to the other party setting forth in reasonable detail the nature of the Arbitrable Dispute. Both parties shall then use their best efforts to negotiate in good faith to diligently resolve the Arbitrable Dispute within fifteen (15) days of the giving and receipt of the First Notice.

(b) Dispute Notice. If the Arbitrable Dispute remains unresolved after the expiration of this fifteen (15) day period, then the party, which delivered the First Notice, shall give written notice to the other (a "Dispute Notice"), which notice shall set forth a full disclosure of all factual evidence and a statement of the applicable legal basis of the Arbitrable Dispute; provided, however, that (i) failure to provide any such disclosure or to state any such legal basis shall not operate as a waiver of such legal basis or operate to preclude the

presentation or introduction of such factual evidence in any subsequent arbitration or proceeding or otherwise constitute a waiver of any right which a party may then or thereafter possess; and (ii) any settlement proposal made or provided shall be deemed to have been made or provided as part of a settlement discussion and may not be introduced in any arbitration or other proceeding without the prior written consent of the party making such disclosure and/or statement.

(c) Final Dispute Notice. If the parties fail to resolve the Arbitrable Dispute(s) within thirty (30) days of receipt of the Dispute Notice, any party may notify the other party of such failure by delivery of a written notice (a "Final Dispute Notice"). On the giving or receipt of a Final Dispute Notice, any Arbitrable Dispute shall be finally settled by final and binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules in force as of the date the demand for arbitration is filed (the "Arbitration Rules") and in accordance with the terms of this Franchise Agreement.

(d) The parties acknowledge and agree that Franchisor may elect to alter this procedure for negotiation of Arbitrable Disputes by outlining a revised process in the Brand Standards Manual which, if provided, may be revised periodically at Franchisor's discretion.

13.9. Arbitration Process.

(a) Selection of Arbitrator(s). Arbitration shall be conducted by one arbitrator appointed by the American Arbitration Association in accordance with its rules and utilizing the striking method, unless Franchisor elects for the dispute to be decided before a panel of three arbitrators. If Franchisor makes such election, Franchisor and Franchisee shall each appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator to act as Chairman of the tribunal. If a party fails to nominate an arbitrator within thirty (30) days from the later of (1) the date of the claimant's demand for arbitration or (2) the date of the notice from the American Arbitration Association seeking designation of such arbitrator, then such appointment shall be made by the American Arbitration Association. The two arbitrators thus appointed shall attempt to agree on the third arbitrator to act as Chairman. If said two arbitrators fail to nominate the Chairman within 30 days from the date of the appointment of the second arbitrator to be appointed, the Chairman shall be appointed by the American Arbitration Association in accordance with the Arbitration Rules. Any arbitrator selected or appointed hereunder shall be an attorney experienced generally in franchise law and commercial litigation.

(b) Location of the Arbitration. The arbitration shall be conducted in Broward County, Florida at such location as shall be mutually agreed on by the parties in writing (or decided by the arbitrator(s) if the parties are unable to agree). If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered by the arbitrator(s) against such party notwithstanding such failure to appear and judgment on the award rendered by the arbitrator(s) may be entered in a court having competent jurisdiction in Broward County, Florida pursuant to the Federal Arbitration Act.

(c) Costs of Arbitration. The expenses, wages, and other compensation of any witnesses called before the arbitrator(s) shall be borne by the party calling the witnesses. Other expenses incurred, including wages of participants, and preparation of briefs and data to be presented to the arbitrator(s), will be borne separately by the respective parties. Only the fee for the arbitration, the arbitrator's fees and expenses, the cost of any hearing

room, and the cost of a shorthand or similar reporter and the original transcript will be borne equally by the parties to the arbitration.

(d) Power of the Arbitrators. The arbitrator(s) shall have the authority to determine timeliness and arbitrability of any dispute. The arbitrator(s) shall have no authority to modify or amend the terms of this Franchise Agreement or to award consequential, speculative, punitive or exemplary damages. The arbitrator(s) shall have the authority to award damages but may not award damages in excess of actual damages except to the extent the right or claim at issue is brought pursuant to the indemnification provision in Section 11.5 or as otherwise expressly set forth in this Franchise Agreement.

(e) Res Judicata/Preclusive or Collateral Estoppel. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any Person in Privity with Franchisee.

(f) Form of the Decision. Each arbitration decision rendered hereunder shall be in writing; shall individually address and dispose of each claim and the relief granted related thereto; shall set forth a recital of facts and a legal analysis regarding the disposition of each such claim and the resulting rendition of the award relating to each such claim (if any); and, in general, shall be specific regarding the reasons underlying any and all determinations, awards or conclusions, including all principles of law applied.

(g) Payment of Monetary Awards in Arbitration. The parties agree that the award of the arbitrators shall be made, and shall be promptly paid, in U.S. dollars free of any tax, deduction, or offset; and that any costs, fees, or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The parties agree that the arbitrators may award interest from the date of any damages incurred for breach or other violation of this Franchise Agreement, and from the date of the award, until paid in full, at a rate to be fixed by the arbitrators, but in no event less than two and one-half percent (2.5%) per annum above the Citibank Preference Rate quoted for the corresponding periods, as reported in the Wall Street Journal, or the maximum rate permitted by applicable law, whichever is less.

(h) Final and Binding Arbitration Decision. The parties agree that the decision and award by the arbitrator(s) shall be final and, binding regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator(s), and judgment on the award, including any partial, temporary or interim award, may be entered and enforced by judgment or order of a court having competent jurisdiction in Broward County, Florida subject to the Federal Arbitration Act. The parties consent to the exercise of personal jurisdiction over them by any such court for the purpose of carrying out this provision; and they waive any objections they would otherwise have concerning such matters. Franchisor and Franchisee each waives any right to contest, and hereby agrees not to contest, the validity or enforceability of such award. To the extent necessary, other courts may award full faith and credit to such judgment in order to enforce such award.

(i) Parties to Arbitration. Parties to arbitration under this Franchise Agreement shall not include, by consolidation, joinder or in any other manner, any person other than Franchisor, Franchisee, and any Person in Privity with Franchisee, unless both parties to this Franchise Agreement consent in writing. The parties agree that any arbitration arising

out of an Arbitrable Dispute is only a matter between Franchisor and Franchisee and no other franchisees or other third parties. Franchisee agrees not to join or attempt to join other franchisees or other third parties in any arbitration proceeding. Franchisee hereby waives any right to assert a class action claim on behalf of other franchisees, or to bring claims in a purported representative capacity, and agrees to refrain from participating in any class action litigation or arbitration proposed or asserted by one or more other franchisees. Any arbitration shall be brought on an individual, and not a class-wide basis. The filing of any court proceeding by Franchisor pursuant to Section 13.4 does not waive Franchisor's right to enforce the terms of this Section 13.9(i) in any subsequent arbitration, litigation or other proceeding.

13.10. Confidentiality of Negotiation Process and Arbitration. Except to the extent required under applicable law, the negotiations, the arbitration proceeding, the information disclosed therein, and any judgment, award, or opinion rendered shall be subject to the confidentiality requirements of Section 8.1.

ARTICLE 14.
TAXES

Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Franchise Agreement. In the event of any bona fide dispute as to the liability for the taxes assessed against Franchisee, Franchisee may contest the validity or the amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Service Center or equipment thereon. In the event a tax or levy is imposed by any jurisdiction or government entity on Franchisor related to this Franchise Agreement, Franchisee shall reimburse Franchisor within 10 days of such imposition and payment by Franchisor.

ARTICLE 15.
MISCELLANEOUS PROVISIONS

15.1. Time of the Essence. Time is of the essence in this Franchise Agreement, and failure to comply with any of the deadlines provided for herein shall be considered a material breach of this Franchise Agreement.

15.2. No Oral Modification. Except as expressly provided by this Franchise Agreement, no attempted or purported change or modification of any of the terms or conditions set forth in this Franchise Agreement shall be of any effect unless the change or modification is reduced to writing and signed by both parties hereto.

15.3. Binding Effect. This Franchise Agreement shall be binding on and inure to the benefit of the parties hereto, their successors, heirs, legal representatives and permitted assigns.

15.4. Survival. Notwithstanding the expiration or sooner termination of this Franchise Agreement, all obligations of the parties which expressly or by their nature survive such expiration or termination shall continue in full force and effect until they are satisfied or by their nature expire.

15.5. Entire Agreement. This Franchise Agreement (including all exhibits hereto, the Sublease, and any Nondisclosure and Noncompetition Agreement between Franchisor and Franchisee or its owners or employees), together with any agreements referred to herein, represent the entire agreement of the parties hereto with respect to the subject matter hereof, and completely supersedes any and all prior agreements, negotiations, understandings and representations, if any, made by and

between the parties. No representation, inducement, promise, or agreement, oral or otherwise, if any, not embodied in this Franchise Agreement, or any agreement referred to herein, is of any force and effect. Nothing is intended to disclaim, or require Franchisee to waive reliance on: (a) any representation made in the Franchise Disclosure Document that Franchisor has provided; (b) any representations that we (or our personnel or agents) made to you prior to the Effective Date. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

15.6. Waiver. The failure, forbearance, neglect, or delay of any party at any time to require performance by another party of any provision of this Franchise Agreement, even if known, does not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. A waiver by any party of any breach of any provision of this Franchise Agreement must not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Franchise Agreement. No notice to or demand on any party in any case, of itself, entitles such party to any other or further notice or demand in similar or other circumstances. Franchisor and Franchisee will not waive or impair any right, power, or option this Franchise Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Franchise Agreement before its term expires) because of any custom or practice at variance with this Franchise Agreement's terms; Franchisor's or Franchisee's failure, refusal, or neglect to exercise any right under this Franchise Agreement or to insist on the other's compliance with this Franchise Agreement, including, without limitation, any of Franchisor's standards or specifications for operating a FAST-FIX Service Center; Franchisor's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other FAST-FIX Service Centers; the existence of franchise agreements for FAST-FIX Service Centers which contain provisions different from those contained in this Franchise Agreement; or Franchisor's acceptance of any payments due from Franchisee after any breach of this Franchise Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

15.7. Notices. All notices, requests, approvals, consents, demands and other communications required or permitted to be given under this Franchise Agreement shall be in writing, signed by the party making or giving the notice or demand, and hand delivered, delivered by reputable overnight courier (such as FedEx), sent by facsimile or email with confirmation receipt, or mailed by certified or registered mail, return receipt requested, to each of the parties hereto as follows:

(a) To Franchisor at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, Attention: Patrick A. Kuiper, President.

(b) To Franchisee at: _____.

Each such notice is deemed delivered: (i) on the date delivered if by personal delivery; (ii) on the date of transmission (provided confirmation is sent as described above) if by facsimile or email; or (iii) on the date on which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if

mailed or couriered. Notwithstanding anything in this Franchise Agreement to the contrary, if Franchisee comprises more than one individual, notice delivered by Franchisor to Franchisee at the foregoing address is considered notice to all individuals comprising Franchisee. Franchisee acknowledges and agrees that e-mail communication shall be an appropriate means of communication between Franchisor and Franchisee.

15.8. Change of Address Notice. The addresses where notices are to be delivered under this Franchise Agreement may be changed by either party hereto by designating a new address, in writing, and delivering such designation to the other party in the same manner as notices are to be delivered under Section 15.7.

15.9. Entity Franchisee. If Franchisee is a corporation, limited liability company, limited partnership, or other entity, it shall, at or prior to its execution of this Franchise Agreement, provide to Franchisor the following: (a) formation documents filed with the state of its formation certified to be true and correct by the appropriate official of such state and a "good standing" certificate as to Franchisee from such appropriate official, (b) a list of owners together with each owner's corresponding ownership interest, (c) a certificate from each owner stating that it (and its owners) has no interest in any Competitive Business, (d) a certificate of incumbency of managers, officers and directors, as applicable, and (e) minutes or written consent authorizing the execution of this Franchise Agreement, certified to be true and correct by the secretary of Franchisee. The owners of all the issued and outstanding voting equity of the entity as certified by an authorized officer shall be and remain, at all times, parties, individually, to this Franchise Agreement and jointly and severally liable for all of the obligations and undertakings of Franchisee hereunder. No additional voting equity shall be issued without Franchisor's consent.

15.10. Miscellaneous. As used in this Franchise Agreement and when required by context;

(a) each number (singular or plural) includes all numbers, each gender includes all genders and the word "it" includes the appropriate pronoun as the context requires;

(b) "Including (include)" means "including (include), without limitation";

(c) "Or," as in "A or B," means A or B or both; and

(d) "Herein, "hereunder," and "hereof" refer to this Franchise Agreement, and not to the specific Section in which that term occurs.

15.11. Headings. The headings and subheadings contained in this Franchise Agreement are for convenience of reference only, are not to be considered a part of this Franchise Agreement and shall not limit or otherwise affect in any way the meaning or interpretation of this Franchise Agreement.

15.12. Force Majeure. Except as set forth in the next sentence, neither Franchisor nor Franchisee shall be liable for loss or damage or deemed to be in breach of this Franchise Agreement, if its failure to perform its obligations results solely from any of the following causes: (a) transportation shortages or inadequate supply of equipment, merchandise, supplies, labor, material, or energy; (b) compliance with any applicable law; or (c) war, strikes, natural disaster or acts of God. Any delay resulting from any of such causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that in no event shall such causes excuse payments of amounts owed to Franchisor for any reason.

15.13. Severability.

(a) If any provision of this Franchise Agreement or any other agreement entered into pursuant to this Franchise Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of this Franchise Agreement shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Franchise Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

(b) If any applicable law of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Franchise Agreement (if permitted) than is required under this Franchise Agreement, or the taking of some other action not required under this Franchise Agreement, or if under any applicable law of any jurisdiction, any provision of this Franchise Agreement or any requirement prescribed by Franchisor is invalid or unenforceable, the prior notice or other action required by such law shall be substituted for the comparable provisions of this Franchise Agreement. Franchisor shall have the right, in its discretion, to modify such invalid or unenforceable requirement to the extent required to be valid and enforceable. Such modifications to this Franchise Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and this Franchise Agreement shall be enforced as originally made and entered into in all other jurisdictions.

15.14. No Rights to Withhold Payments; Setoff. Franchisee agrees that he will not, on grounds of an alleged non-performance by Franchisor of any of its obligations or any other reason, withhold payment of any amounts due whatsoever. No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of a payment in full or an accord and a satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as it may see fit. Franchisor may set off against any sums payable to Franchisee hereunder any unpaid debts to Franchisor.

15.15. Right to Sign Franchise Agreement on Different Terms. Franchisee acknowledges and agrees that Franchisor may have in the past and may in the future enter into franchise agreements with other franchisees on terms and conditions materially different from the terms set forth herein.

15.16. Third Parties. Except as provided in this Franchise Agreement to the contrary with respect to any Affiliates of Franchisor, nothing in this Franchise Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Franchise Agreement on any persons (including other franchisees) other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns. Further, nothing in this Franchise Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Franchise Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Franchise Agreement. The parties agree that each of their respective owners, officers, directors, employees, agents, attorneys and other representatives are third-party beneficiaries of the provisions of ARTICLE 13, and of Sections 15.21, 15.26 and 15.27.

15.17. Security Interest. As security for all monetary and other obligations of Franchisee to Franchisor or its Affiliates, Franchisee grants to Franchisor a first priority security interest in all assets of Franchisee in the Franchised Business, including all furniture, fixtures, machinery, equipment, inventory and all other property (tangible or intangible), now owned or later acquired by Franchisee used in connection with the Franchised Business and wheresoever located as well as all contractual and related rights of Franchisee under this Franchise Agreement and all other agreements between the parties. Franchisee agrees to execute such financing statements, continuation statements, notices of lien, assignments or other documents as may be required in order to perfect and maintain Franchisor's security interest. Franchisor may, in its discretion, enter a subordination agreement, in form and substance satisfactory to it, whereby it will subordinate its security interest to: (a) the security interest of a reputable institutional lender relating to a loan to Franchisee for reasonable working capital purposes; (b) the purchase money security interest of an approved equipment vendor for any equipment purchased or leased by Franchisee and used in the operation of the Franchised Business; or (c) the purchase money security interest of a supplier of approved products sold at the Franchised Business. Franchisee shall pay all filing fees and costs for perfecting Franchisor's security interest.

15.18. Intentionally Omitted.

15.19. Receipt of Completed Franchise Agreement. Franchisee acknowledges that it, he or she received from Franchisor a completed copy of this Franchise Agreement and all related agreements, containing all material terms, with all blanks filled in (except for the date, signatures and any minor matters not material to the agreements) at least seven calendar days prior to the execution of this Franchise Agreement.

15.20. Acknowledgment of Risk. Franchisee acknowledges and agrees to the following:

(a) IN ALL OF FRANCHISOR'S DEALINGS WITH FRANCHISEE, FRANCHISOR'S OFFICERS, DIRECTORS, EMPLOYEES, BROKERS (IF ANY), AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. THIS FRANCHISE AGREEMENT, AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND SUCH INDIVIDUALS AS A RESULT OF THIS FRANCHISE AGREEMENT, ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR;

(b) ANY INFORMATION FRANCHISEE ACQUIRES FROM OTHER FAST-FIX SERVICE CENTER FRANCHISEES RELATING TO THEIR SALES, PROFITS OR CASH FLOWS DOES NOT CONSTITUTE INFORMATION OBTAINED FROM FRANCHISOR, NOR DOES FRANCHISE MAKE ANY REPRESENTATION AS TO THE ACCURACY OF ANY SUCH INFORMATION; AND

(c) FRANCHISOR MAKES NO WARRANTY AS TO FRANCHISEE'S ABILITY TO OPERATE THE FRANCHISED BUSINESS IN THE JURISDICTION IN WHICH THE FRANCHISED BUSINESS IS TO BE OPERATED. IT IS INCUMBENT ON FRANCHISEE TO SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY WITH RESPECT TO THIS ISSUE. IN THE EVENT THAT LEGISLATION ENACTED BY, OR REGULATION OF, ANY GOVERNMENTAL BODY PREVENTS FRANCHISEE FROM OPERATING THE FRANCHISED BUSINESS, FRANCHISOR SHALL NOT BE LIABLE FOR DAMAGES NOR BE REQUIRED TO INDEMNIFY FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM FRANCHISEE.

15.21. Intentionally Omitted.

15.22. Modification of the System. FROM TIME TO TIME AFTER THE DATE OF THIS FRANCHISE AGREEMENT, FRANCHISOR MAY CHANGE OR MODIFY THE SYSTEM (INCLUDING THE TYPES OF

GOODS AND SERVICES OFFERED BY THE FRANCHISED BUSINESS). FRANCHISEE SHALL ACCEPT, AND IS BOUND BY, ANY SUCH CHANGES IN THE SYSTEM AS IF THEY WERE PART OF THIS FRANCHISE AGREEMENT AT THE TIME OF ITS EXECUTION. FRANCHISEE WILL MAKE SUCH EXPENDITURES AND SUCH CHANGES OR MODIFICATIONS TO COMPLY WITH THE CHANGES OR MODIFICATIONS OF THE SYSTEM AS FRANCHISOR MAY REASONABLY REQUIRE.

15.23. Remedies Cumulative. Except as otherwise expressly provided in this Franchise Agreement, no remedy in this Franchise Agreement conferred on any party is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Franchise Agreement or now or later existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy under this Franchise Agreement shall preclude any other or further exercise of such right, power or remedy.

15.24. Interpretation. The parties acknowledge that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the execution of this Franchise Agreement and all of the other documents executed incidental to this Franchise Agreement and, therefore, none of the parties shall, while this Franchise Agreement is effective or after its termination, claim or assert that any provisions of this Franchise Agreement or any of the other documents should be construed against the drafter of this Franchise Agreement or any of the other documents.

15.25. Waiver of Punitive, Exemplary, and Speculative Damages Claims. EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD PARTY CLAIMS UNDER SECTION 11.5 AND TO PAY FRANCHISOR LIQUIDATED DAMAGES UNDER SECTION 12.4, THE PARTIES MUTUALLY AND WILLINGLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE, EXEMPLARY, OR SPECULATIVE DAMAGES AGAINST THE OTHER. IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

15.26. Waiver of Jury Trial. EXCEPT FOR THE FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD PARTY CLAIMS UNDER SECTION 11.5, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE (INCLUDING ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS), WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS FRANCHISE AGREEMENT RELATES.

15.27. Counterparts. This Franchise Agreement may be executed in two or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by facsimile, or scanned and emailed, signature page shall be binding on any party so confirming.

15.28. Consents, Approvals and Satisfaction. Whenever Franchisor's consent or approval is required under this Franchise Agreement, such consent or approval is not binding on Franchisor unless such consent or approval is in writing and signed by the Franchisor. No other officer, employee, or agent of Franchisor has authority to execute any consent or approval on behalf of Franchisor. Franchisor consent or approval, whenever required, may be withheld if any default by Franchisee exists under this Franchise Agreement. Unless this Franchise Agreement expressly states otherwise, anytime Franchisor satisfaction is required under this Franchise Agreement, such

satisfaction is determined on the basis of Franchisor judgment. Further, any consent or approval provided by Franchisor under or arising out of this Franchise Agreement (including the approval of the Service Center or any minimum insurance requirements) is not, directly or indirectly, a representation or warranty (including whether the Franchised Business will be profitable, whether Franchisee's sales will attain any predetermined levels, or whether any approved assignee will be able to meet its financial obligations to assignor or any other party) relating to the subject of such consent or approval. Such consent or approval is an expression only that Franchisor's minimum requirements for Franchisor to grant it have been met, or waived, in Franchisor's discretion. Additionally, Franchisee shall not claim that the provision or withholding of any consent or approval by Franchisor imposes any liability on Franchisor. Any approval or consent of Franchisor under or arising out of this Franchise Agreement shall be granted or withheld in its discretion, unless this Franchise Agreement expressly requires otherwise.

15.29. Joint and Several Liability. If Franchisee consists of more than one person, or one or more of such persons sign this Franchise Agreement on or in behalf of Franchisee, all such persons are jointly and severally liable with each other and with Franchisee for Franchisee's liabilities and obligations under this Franchise Agreement.

15.30. Joinder. On a permitted transfer pursuant to Section 10.3 or on the marriage of an individual Franchisee, such transferee or spouse shall immediately execute Franchisor's then-current form of joinder (the "Joinder"). Under the Joinder, each such party shall agree, among other things, that he, she or it is personally bound by all the terms of this Franchise Agreement and the Sublease as if he, she or it were Franchisee or "sublessee" thereunder and agrees that he, she or it is jointly and severally liable with the other parties making up Franchisee or "sublessee" for all Franchisee's and each other's obligations under this Franchise Agreement and the Sublease. Further, the acts and omissions of each such party is deemed to be the act or omission of Franchisee. Consequently, any act or omission of one of such parties that would be a default under this Franchise Agreement or Sublease if committed or omitted by Franchisee is considered to be a default by Franchisee. Likewise, if any of such party violates any of his, her or its obligations under the Joinder, such violation is considered a material default under this Franchise Agreement entitling Franchisor to immediately terminate this Franchise Agreement.

15.31. Anti-Terrorism Law.

(a) Franchisee represents and warrants to Franchisor as follows:

(i) Neither Franchisee, its individuals or affiliates nor any of their respective agents (collectively, the "Franchisee Parties") is in violation of any law relating to terrorism or money laundering including, but not limited to, Executive Order No. 13224 on Terrorist Financing, the U.S. Bank Secrecy Act, as amended by the Patriot Act, the Trading with the Enemy Act, the International Emergency Economic Powers Act and all regulations promulgated thereunder, all as amended from time to time (collectively, "Anti-Terrorism Law").

(ii) No action, proceeding, investigation, charge, claim, report, or notice has been filed, commenced, or threatened against any of Franchisee Parties alleging any violation of any Anti-Terrorism Law.

(iii) None of the Franchisee Parties has, after due inquiry, knowledge of any fact, event, circumstance, situation or condition which could reasonably be expected to result in any action, proceeding, investigation, charge, claim, report, notice or

penalty being filed, commenced threatened or imposed against any of them relating to any violation of or failure to comply with any Anti-Terrorism Law.

(iv) None of the Franchisee Parties is a "Prohibited Person." A Prohibited Person means any of the following:

(A) A person or entity that is "specially designated" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control or which is owned, controlled by or acting for or on behalf of any such person or entity.

(B) A person or entity with whom Franchisor is prohibited from dealing by any Anti-Terrorism Law.

(C) A person or entity that commits, threatens, or conspires to commit or supports "terrorism," as defined in any Anti-Terrorism Law.

(b) None of the Franchisee Parties:

(i) Conducts any business or transactions or makes or receives any contribution of funds, goods, or services in violation of any Anti-Terrorism Law;

(ii) Engage in or conspire to engage in any transaction that evades or avoids, has the purpose of evading or avoiding or attempts to violate any of the prohibitions of any Anti-Terrorism Law.

(c) Franchisee agrees promptly to deliver to Franchisor (but in any event within 10 days of Franchisor's written request) any certification or other evidence requested from time to time by Franchisor, in its reasonable discretion, confirming Franchisee's compliance with the foregoing.

15.32. Approval and Guaranty Provision. If Franchisee is a corporation, all Franchisee's shareholders, or, if Franchisee is a partnership, all Franchisee's general partners, or, if Franchisee is a limited liability company, all Franchisee's members, shall approve this Franchise Agreement, permit Franchisee to furnish the financial information required by Franchisee and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and the FAST-FIX Service Center and limitations on their rights to compete, and sign separately a Personal Guaranty Agreement, guaranteeing Franchisee's payments and performance hereunder. Where required to satisfy Franchisor's standards of creditworthiness, or to secure the obligations made under this Franchise Agreement, Franchisee's spouse, or the spouses of Franchisee's Affiliates, may be asked to sign the Personal Guaranty Agreement. Our form of Personal Guaranty Agreement appears as Attachment 8 hereto.

15.33. Business Organization. If Franchisee is a business organization (like a corporation, limited liability or partnership) it will completely and accurately describe all of its Owners and their interests in Franchisee, by completing the Principal Owners Statement, a form of which is attached as Attachment 9 hereto. The word "Owner" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Franchise Agreement or an interest in Franchisee), including any person who has a direct or indirect interest in Franchisee or this Franchise Agreement and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in the revenue, profits, rights or assets.

The parties are executing this Franchise Agreement as of the date set forth in the first paragraph of this Franchise Agreement.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

Attachment 1

SCHEDULE OF INITIAL FEES

Franchisee Designation: (check one)

☐ Kiosk
☐ In-Line Store
☐ Store-in-Store Location

Initial Franchise Fee: $_____

Attachment 2

TERRITORY AND SITE OF SERVICE CENTER

The undersigned, pursuant to Section 3.1 of the Franchise Agreement (the "Franchise Agreement") simultaneously being entered into with Jewelry Repair Enterprises, Inc. ("Franchisor"), hereby accepts the following as the Territory:

_____
_____
_____
_____.

The undersigned hereby further accepts the following site as the Service Center for the Franchised Business:

_____.

This Attachment 2 shall be retained pursuant to the terms and conditions of the Franchise Agreement. Capitalized terms used herein but not otherwise defined shall have the meanings given to those terms in the Franchise Agreement.

Effective Date: _____, 20___

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

Attachment 3

SUBLEASE (STORE-IN-STORE LOCATION)

SUBLEASE[1]

This SUBLEASE (this "Sublease") is dated as of _____ __, 20__, and is among **JEWELRY REPAIR ENTERPRISES, INC.** ("Sublessor"), a Pennsylvania corporation, and _____, a(n) _____{corporation, limited liability company} ("Sublessee").

A. Sublessor, as franchisor, and Sublessee, as franchisee, have entered, or concurrently with the execution of this Sublease are entering, into a franchise agreement (the "Franchise Agreement"), under which Sublessor grants Sublessee the right—and Sublessee undertakes the duty—to operate a ***Fast-Fix Jewelry and Watch Repairs®*** franchise (the "Business") at those premises described on Exhibit A attached hereto (the "Service Center").

B. Sublessor, as tenant, and _____ (the "Landlord"), as the landlord, entered into a lease for the Service Center on _____ (the "Master Lease"). A copy of the Master Lease is attached to this Sublease as Exhibit B.

C. Sublessor desires to sublease the Service Center to Sublessee on the terms contained in this Sublease.

The parties therefore agree as follows:

1. Grant of Sublease. {Subject to the written consent of the Landlord,} Sublessor hereby subleases the Service Center to Sublessee on the terms and conditions set forth in this Sublease. At the commencement of the Term, the Sublessor shall deliver the Service Center in its "as is, where is" condition as of the date thereof.

2. Term.

   a. Subject to Section 2.b, the term of this Sublease—and Sublessee's right and duty to occupy the Service Center—begins on the {later of the} date hereof {or, if Landlord consent is required, the date that the Landlord consents in writing to this Sublease,} and ends one day prior to the expiration of the term of the Master Lease, as it may be extended pursuant to any extensions, renewals or replacements thereof (the "Term").

   b. Sublessor shall have the right, but not the obligation, on notice to Sublessee, to extend the Term. Such extension, if any, may be only to coincide with the then existing term of the Master Lease, as it may be periodically extended, renewed or replaced. However, the Term may not last longer than the term of Franchise Agreement, as such term may be extended or renewed pursuant to the Franchise Agreement.

   c. Sublessor has the sole right, but not the obligation, to extend, renew or replace the Master Lease, on terms it deems appropriate in its discretion. A replacement lease means any new lease Sublessor obtains for the Service Center, which new lease begins before the expiration of the Master Lease as it may have been extended or renewed. If Sublessor has obtained a replacement lease, references herein to "Master Lease" include such replacement lease.

3. Net Sublease. This Sublease is absolutely net to Sublessor and is thus a net sublease. Sublessor therefore will not be subject to, or responsible for, any payments, charges, taxes, or obligations of any nature whatsoever with respect to the Service Center, the contents thereof or the use or occupancy thereof, except as may be expressly set forth herein. Sublessee is exclusively responsible for, and shall timely pay, all such payments, charges, taxes or obligations.

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[1] {If underlying agreement is a License instead of a Lease, revise form to reflect this to be a Sublicense of a Master License between Sublicensor and Sublicensee as applicable.}

4. Rent. Sublessee shall pay all rent (the "Rent") due under the Master Lease, irrespective of whether designated as base rent, additional rent, percentage rent or otherwise, in accordance with the provisions thereof.

5. ***Security Deposit***. Sublessee shall deposit with Sublessor simultaneously with the execution of this Sublease the amount of $_____ {insert amount of security deposit deposited by Sublessor under Master Lease} ("Security Deposit") as security for the faithful performance and observation by Sublessee of the terms, conditions, and provisions of this Sublease, including, without limitation, the surrender of possession of the Service Center to Sublessor as herein provided. On the occurrence of any default hereunder or under the Master Lease, Sublessor may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to pay sums past due by Sublessee to Sublessor under this Sublease and to repair, restore, or discharge any damage, injury, expense, or liability caused by any default hereunder or the Master Lease, and the portion of the Security Deposit expended shall be restored by Sublessee on demand. The Security Deposit shall not be considered a measure of Sublessor's damages for any default by Sublessee hereunder or under the Master Lease. Unless otherwise required by applicable law, no interest shall be paid on the Security Deposit. The amount of the Security Deposit then held by Sublessor shall be returned to Sublessee at the end of the Term of the Sublease provided no uncured default by Sublease exists hereunder.

6. Additional Charges. In addition to the Rent, Sublessee shall pay all other amounts (the "Additional Charges") that Sublessor must pay under the Master Lease, whether to the Landlord or any other party, including any percentage rent, taxes, duties, assessments, insurance, deposits, common-area-maintenance charges, association dues, advertising and promotion fund payments, operating expenses, and utility charges. All of the Additional Charges must be calculated and payable in accordance with the provisions of the Master Lease. Sublessee shall also timely pay all sales and use taxes and excise taxes imposed or levied on all payments made by Sublessee hereunder by the State in which the Service Center if located or any other governmental authority having jurisdiction.

7. Payment Time and Place. Sublessee shall pay the Rent and all Additional Charges on or before the date on which Sublessor must pay such amounts under the Master Lease. Sublessee shall, unless Sublessor periodically otherwise directs, pay the Rent and all Additional Charges directly to the Landlord and promptly provide Sublessor with proof of timely payment thereof. Furthermore, all Rent and Additional Charges shall be payable in advance, without notice or demand and without any deduction or abatement, and regardless of any claim, set off or defense that may be asserted by Sublessee. In the event any installment of Rent or payment of Additional Charges is not paid within five (5) business days after it is first due, then in addition to any interest or penalties charged under the Master Lease Sublessee shall also pay Sublessor, as Additional Charges, a late payment fee equal to five percent (5%) of such delinquent payment, and interest on such unpaid amount accruing at an annual rate of ten percent (10%) from the date on when such installment or payment shall have become due to the date of the payment thereof and such interest shall be deemed Additional Charges. Sublessor's right to the aforementioned delinquent interest is in addition to all of Sublessor's rights and remedies under this Sublease, at law or in equity.

8. Use of Service Center. Sublessee shall use the Service Center exclusively to operate the Business in accordance with the Franchise Agreement, the use clause within the Master Lease, and all applicable laws, regulations and ordinances and for no other purpose. Sublessee shall not use or occupy the Service Center in any manner that violates or is inconsistent with the Franchise Agreement or Master Lease. Further, Sublessee covenants at all times during the term of this Sublease not to make any alterations or additions to the Service Center, or any fixtures therein of any nature whatsoever

without the prior written consent of Sublessor, which consent may be granted or withheld in Sublessor's sole discretion. Sublessee agrees that in any case where the provisions of the Master Lease or this Sublease require that the consent or approval of the Landlord be obtained prior to the taking of any action, Sublessee shall first obtain the prior written consent of Sublessor and thereafter shall obtain the prior written consent of Landlord in accordance with the Master Lease.

9. Obligations; Renewal. Sublessee hereby assumes, and is bound by, all the obligations and conditions that the Master Lease imposes on Sublessor as the tenant thereunder (the "Tenant's Duties"). The Tenant's Duties are incorporated herein by reference. Notwithstanding anything in this Sublease or the Master Lease to the contrary, this Sublease does not grant Sublessee any rights of first refusal, any options to purchase, or any extensions or renewal rights with respect to the Master Lease. In no event shall Sublessee enter a renewal lease directly with the Landlord or negotiate, or otherwise attempt to enter, with the Landlord such a renewal lease or any modification of the Master Lease. Notwithstanding anything in this Sublease to the contrary, on the expiration thereof, Sublessor has no obligation to renew, extend, or replace the Master Lease. This Sublease and the Sublessee's rights under this Sublease shall at all times be subject and subordinate in all respects to the Master Lease. Notwithstanding any provision contained herein to the contrary, during the Term, the Sublessee shall have no greater rights in the Service Area than Sublessor shall have, from time to time, in and to the Service Area under the Master Lease. Sublessee shall not cause or permit and act or omission which would constitute a default under the Master Lease or would give Landlord the right to terminate the Master Lease prior to the stated expiration of the term thereof.

10. Transfers.

a. Transfer Restrictions. Except as provided in Section 10.b or Section 16, neither Sublessee nor its owners (or their respective owners) shall—either voluntarily or involuntarily, in whole or in part—do any of the foregoing: (i) sell, transfer, assign, sublet, or otherwise dispose of this Sublease, the Master Lease or the Service Center or any equipment, fixtures, or furniture thereon or therein, (ii) mortgage, grant any security interest in or lien against, or encumber this Sublease, Master Lease or the Service Center, or any equipment, fixtures, or furniture thereon or therein, or (iii) permit the use or occupation of the Service Center by any other person (all the foregoing acts shall be considered a "transfer"). This Sublease and Sublessee's interest herein may not be transferred by operation of law. Further, if Sublessee is a corporation, partnership, limited partnership, or other entity, Sublessee shall provide Sublessor with prior notice of any proposed transfer or assignment of voting or ownership interests therein. A transfer or assignment of any such voting or ownership interests—individually or in the aggregate, directly or indirectly—is considered a transfer of an interest in this Sublease by Sublessee, as is a transfer or assignment of all or substantially all of Sublessee's assets. For the purposes of this Section 10, and other related provisions of this Franchise Agreement, the terms "transfer" or "assign" refer to any of the preceding actions. Any purported transfer in violation of this Section 10 is null and void, *ab initio*.

b. Permitted Transfers. Sublessee may assign its rights under this Sublease only with the express written consent of Sublessor, which consent Sublessor may grant or withhold in its sole and absolute discretion, and, if Sublessor grants such consent, each of the following conditions is satisfied: (i) each assignee assumes all of Sublessee's obligations hereunder, (ii) Sublessee also transfers to each assignee its rights under the Franchise Agreement in accordance with the provisions thereof; and (iii) Sublessee satisfies any other conditions required by Sublessor.

c. Continuing Liability. In no event will any transfer or assignment by Sublessee or any other person or their respective owners release any such parties from liability for their respective conduct

before the transfer or assignment, or from their respective obligations under this Sublease or the Franchise Agreement, including conduct in breach of this Sublease or the Franchise Agreement. Additionally, on transfer or assignment, Sublessee, any other transferor or assignor and their respective owners shall become jointly and severally liable with each other and the transferee or assignee for the performance of the transferee's or assignee's obligations and undertakings under the transferee's or assignee's sublease and Franchise Agreement, as they may be renewed, extended or amended.

d. Transfers by Sublessor. Sublessor may transfer this Sublease and any of its rights hereunder. Sublessor may delegate its duties under this Sublease.

11. Indemnification. Sublessee agrees to indemnify, defend, and hold harmless Sublessor, Sublessor's affiliates, and Sublessor's and Sublessor's affiliates' respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of Sublessee's use and occupancy of the Service Center, Sublessee's breach of this Sublease, or any injury or death to individuals or damage to property sustained in or about the Service Center, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Sublessor's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Sublessee's expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Sublease's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. Sublessee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Sublessee under this subparagraph.

Sublessee agrees, at its sole cost, to obtain and maintain with respect to the Service Center the casualty and liability insurance coverages (in form and issued by companies) satisfying the insurance requirements set forth in the Master Lease, with waivers of subrogation, and also naming Sublessor as an additional insured thereunder.

12. Inspection. At any time during normal business hours and without any prior notice, Sublessor or its representatives may inspect the Service Center. With respect to any such inspection, Sublessee shall fully cooperate with Sublessor or its representatives—such cooperation including providing such parties with full and free access to the Service Center. Sublessee shall reimburse Sublessor, within 5 days of receipt of written notice, for any costs incurred or associated with Sublessor's confirming the occurrence of discovering a default has occurred, confirming a default has been satisfactorily cured, or to assist or supervise the curing of any default.

13. Default and Termination.

a. Default and Termination. The occurrence of any of the following events or conditions shall constitute a default, and, after the expiration of any cure period specified below, shall be good and sufficient cause for Sublessor to, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Sublease on notice to Sublessee:

   i. Sublessee fails to pay when due any Rent or Additional Charges or other amount payable hereunder and such failure continues for five days after Sublessor delivers written notice thereof (or such shorter period of time, if any, as provided in the Master Lease);

   ii. Sublessee fails to comply with any other provision in this Sublease and such failure continues for five days after Sublessor delivers written notice thereof (or such shorter period of time, if any, as provided in the Master Lease);

   iii. any act or omission by Sublessee or its sufferance of any act or condition that constitutes a default by the tenant under the Master Lease and such default continues following the applicable notice and cure periods, if any, as provided in the Master Lease—whether or not the Landlord seeks to enforce the applicable default provision of the Master Lease;

   iv. if Sublessee receives three or more notices of default under this Sublease or any other agreement with Sublessor or any of its affiliates (including the Franchise Agreement or any other franchise agreement or sublease), whether for the same or different defaults and regardless of whether such defaults were cured;

   v. if, except as expressly permitted by this Sublease, any person attempts or purports to transfer or assign this Sublease, Master Lease or the Service Center, or any interest, rights or obligations thereunder, without Sublessor's prior written consent or otherwise breaches any of the provisions of Section 10.

b. Cross Default and Termination. If Sublessee or any of its affiliates defaults under any other agreement with Sublessor or any of its affiliates (including the Franchise Agreement or any other sublease or franchise agreement), and such default is not cured within any permitted period, if any, as provided in such other agreement, such default is deemed a default under this Sublease. If, as a result of such default or the exercise of any other termination right, Sublessor or its affiliates terminate such other agreement, Sublessor may immediately terminate this Sublease on notice to Sublessee without providing Sublessee with any additional opportunity to cure. Likewise, if Sublessee or any of its affiliates defaults under this Sublease, such default is considered a default under any other agreement with Sublessor or any of its affiliates (including, without limitation, any sublease or franchise agreement), and Sublessor may terminate any of such other agreements on notice to Sublessee without providing Sublessee with any additional opportunity to cure.

c. Sublessor's Right to Cure Defaults. At any time during the Term and without notice to Sublessee, Sublessor shall have the option, but not the obligation, to cure any defaults by Sublessee under this Sublease. On written demand, Sublessee shall pay Sublessor, within five days of receipt of such demand, the amount of any expenses that Sublessor may incur in connection with such actions. Notwithstanding any provision herein to the contrary, Sublessor shall have no obligation to perform any of Landlord's obligations under the Master Lease, and Sublessee agrees that Sublessor shall not be liable to Sublessee for damages, delay or for any other claims which result

from the breach by Landlord under the Master Lease or due to the Landlord's failure to perform under the Master Lease as and when contemplated thereby.

d. Rights and Remedies. Reference in this Sublease to any particular remedy or remedies of Sublessor in respect of any default by Sublessee does not preclude Sublessor from exercising any other remedy in respect thereof, whether pursuant to this Sublease, the Master Lease, or pursuant to law, including having all the rights and remedies of a secured party under the Uniform Commercial Code as adopted and in effect in the state where the Business is located. No remedy will be exclusive or dependent on any other remedy, but Sublessor may, from time to time, exercise any one or more remedies independently or in combination, such remedies being cumulative and not exclusive. If Sublessee fails to perform any of its obligations under this Sublease, in addition to any other rights or remedies provided under this Sublease, Sublessor has all the rights, remedies, privileges, protections, and indemnities against Sublessee that the Landlord has under the Master Lease for a breach of the obligations of the tenant thereunder. Without limiting the foregoing, on termination of this Sublease, Sublessor may, but is not required to, re-sublet the Service Center or any parts thereof for the Term remaining before termination, and may grant concessions or free rent or make improvements or additions to facilitate a re-subletting of the Service Center.

e. Effect of Termination. On any termination of this Sublease pursuant to this Section 13, the entire Rent and Additional Charges, together with any other amounts owed Sublessor, then or thereafter owing for the balance of the Term shall become immediately due and payable. Further, Sublessee shall immediately vacate and surrender the Service Center as provided for in Section 14. Notwithstanding any such termination, Sublessee remains liable for all of its obligations to pay sums due to Sublessor or Landlord under the Master Lease, and for any breaches of this Sublease.

14. Surrender. On the expiration of the Term or sooner termination of this Sublease, Sublessee shall immediately surrender the Service Center to Sublessor broom-clean and vacant and otherwise in the same condition as it existed on the date hereof, and surrender all keys for the Service Center to Sublessor in accordance with its written instructions and inform Sublessor of all combinations and all locks, safes, and bolts, if any, in the Service Center. Sublessee shall immediately remove from the Service Center all unattached personal property, owned or possessed by Sublessee and in which neither Sublessor nor Landlord has any security interest, lien, or other claim. All other personal property, and all fixtures, are and remain subject to (a) the Landlord's rights under the Master Lease or arising by operation of law; and (b) any rights to which Sublessor may be entitled therein or thereto. If Sublessee fails to immediately comply with the foregoing requirements, Sublessor may reenter the Service Center and take possession thereof, and on such reentry, Sublessor may remove all persons or property from the Service Center and such property so removed will be stored in a public warehouse or elsewhere at the cost and for the account of Sublessee, all without service of notice or resort to legal process, and without Sublessor being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

15. Holdover by Sublessee. If, after the expiration of the Term or sooner termination of this Sublease, Sublessee remains in possession of the Service Center without Sublessee executing a new agreement under which it may continue to lawfully use and occupy the Service Center, or fails to remove its property therefrom as required by this Sublease, Sublessee shall pay Sublessor such sums as the Master Lease provides for in the event of a holdover by the tenant thereunder.

16. Security Interest. As security for all monetary and other obligations of Sublessee to Sublessor or its affiliates, Sublessee grants Sublessor a first-priority security interest in all its assets used in connection with the Business (the "Collateral"), including but not limited to all furniture, fixtures, machinery,

equipment, inventory and all other property (tangible or intangible), now owned or later acquired by Sublessee used in connection with the Business and wheresoever located as well as all contractual and related rights of Sublessee under this Sublease and all other agreements between the parties. Sublessor may, in its discretion, enter into a subordination agreement (in form and substance satisfactory to Sublessor), under which it will subordinate its security interest to: (a) the security interest of a reputable institutional lender relating to a loan to Sublessee for reasonable working capital purposes, (b) the purchase money security interest of an approved equipment vendor for any equipment purchased or leased by Sublessee and used in the operation of the Business; or (c) the purchase money security interest of a supplier of approved products sold at the Business. Sublessee shall pay all filing fees and costs for perfecting Sublessor's security interest. This paragraph is considered a security agreement under the Uniform Commercial Code as adopted and in effect in the state where the Business is located. This paragraph and the provisions hereof are self-executing and do not require Sublessee to execute or deliver any other documents to become effective. Sublessee agrees to execute and deliver such security agreements, financing statements, continuation statements, notices of lien, assignments or other documents as may be required in order to perfect and maintain Sublessor's security interest.

17. Conflict Between the Terms of the ***Master*** Lease and this Sublease. As between Sublessor and Sublessee, if there is a conflict between the terms of the Master Lease and this Sublease, the terms of this Sublease control. To the extent that Landlord's approval of this Sublease is required under the Master Lease, this Sublease shall not be effective unless and until approved by the Landlord. Sublessee agrees to promptly provide to Sublessor any and all information regarding Sublessee, including, without limitation, financial statements and tax returns, that Landlord reasonably requests and Sublessee shall otherwise cooperate to satisfy any requirement Landlord may impose as a condition to its consent to this Sublease.

18. ***Conflict Between the Terms of the Franchise Agreement and the Sublease***. As between the Sublessor (Franchisor) and Sublessee (Franchisee) if there is a conflict between the terms of the Franchise Agreement and the Sublease, the terms of the Franchise Agreement shall control.

19. Survival. All agreements, representations, and warranties Sublessee makes in this Sublease continue in full force subsequent to and notwithstanding the expiration or sooner termination of this Sublease and until they are satisfied or by their nature expire.

20. No Accord and Satisfaction. Only full payment of any amount due satisfies Sublessee's payment obligations under this Sublease. No endorsement or statement on any check or any letter accompanying any check or payment made hereunder may be considered as an accord and satisfaction of the full amount due. Sublessor may accept any such check or payment without prejudice to Sublessor's right to recover the balance of such rent or pursue any remedy that would otherwise be available.

21. ***Estoppel Statements***. Within 10 days after Sublessor requests it from Sublessee (or such shorter period of time as may be required under the Master Lease), Sublessee shall deliver to Sublessor, on a form supplied by Sublessor, an estoppel letter to Sublessor or to any proposed mortgagee, purchaser, or other transferee of part or all of the Service Center stating:

    a. that this Sublease is in full force and effect, except for any modifications that are set out in the estoppel letter;
    b. the commencement and expiration dates of the Term;
    c. the date to which rent has been paid under the Sublease and the amount of any prepaid rent or any deposits held by Sublessor or the Landlord;

d. that there no uncured defaults on the part of Sublessee, Sublessor or Landlord, or if there is a default, the estoppel letter must describe the particulars of such default, and that no event has occurred, nor does any condition exist, that with notice or the passage of time, or both, would constitute a default hereunder or under the Master Lease;

e. whether there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed by Sublessee or Sublessor under this Sublease;

f. details concerning Sublessee and any guarantor's financial standing and corporate organization; and

g. any other information or statement that Sublessor or a proposed mortgagee, purchaser, or transferee, may reasonably require.

22. General.

a. Dispute Resolution. This Sublease is governed by Florida law. The parties will not institute any action against any other parties to this Sublease except in the United States District Court for the Southern District of Florida or the courts of general jurisdiction in Broward County, Florida and irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either jurisdiction or venue of such court. The parties hereby adopt the choice of law, waiver of punitive damages, exemplary damages and speculative damages and waiver of jury trial provisions in the Franchise Agreement.

b. Entire Agreement. This Sublease and the agreements referred to herein represent the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersede all other negotiations, understandings and representations if any made between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied herein or in any agreement referred to herein, are of any force and effect. The provisions of this Sublease may be amended, supplemented, waived, or changed only by a written document signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Sublease.

c. Miscellaneous. As used in this Sublease and when required by context: (i) each number (singular or plural) includes all numbers, each gender includes all genders and the word "it" includes the appropriate pronoun as the context requires; (ii) "including (include)" means "including (include), without limitation"; (iii) "or," as in "A or B," means A or B or both; and (iv) "herein, "hereunder," and "hereof" refer to this Sublease, and not to the specific Section in which that term occurs.

d. Binding Effect. All of the terms and provisions of this Sublease, whether so expressed or not, are binding on, inure to the benefit of, and are enforceable by the parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

e. Notices. All notices, requests, approvals, demands, consents and other communications required or permitted under this Sublease shall be in writing and shall be (as elected by the person giving such notice) hand delivered, delivered by reputable messenger or courier service, sent by facsimile or email with confirmation receipt, or mailed by registered or certified mail, return receipt requested, addressed to each of the parties hereto as follows or to such other address that any party may designate by notice complying with the terms of this Section 22.e:

To Sublessor at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, Attention: CEO.

To Sublessee at: _____

_____.

Each such notice is deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date of transmission (provided confirmation is sent as described above) if by facsimile or email; or (c) on the date on which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered. Notwithstanding anything in this Sublease to the contrary, if Sublessee comprises more than one individual, notice delivered by Sublessor to Sublessee at the foregoing address is considered notice to all individuals comprising Sublessee.

f. Waiver. The failure or delay of any party at any time to require performance by another party of any provision of this Sublease, even if known, does not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. A waiver by any party of any breach of any provision of this Sublease shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Sublease. No notice to or demand on any party in any case, of itself, entitles such party to any other or further notice or demand in similar or other circumstances.

g. Severability. If any provision of this Sublease or any other agreement entered into pursuant to this Sublease is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of this Sublease shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Sublease may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

h. Counterparts. This Sublease may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by facsimile, or scanned and emailed, signature page is binding on any party so confirming.

i. Joint and Several Liability. If Sublessee consists of more than one person, or one or more of such persons sign this Sublease on or in behalf of Sublessee, all such persons are jointly and severally liable with each other and with Sublessee for Sublessee's liabilities and obligations under this Sublease.

j. Brokers. Sublessor and Sublessee warrant and represent to each other than no broker other than _____ ("Broker") brought about this transaction or dealt with either party in connection therewith, and each does hereby indemnify and hold the other harmless from the claim of any persons claiming by or through it by reason of this Sublease or the transaction contemplated hereby. {Sublessee} shall be responsible for paying any commissions owed to Broker by reason of the execution of this Sublease.

(The remainder of this page has been intentionally left blank.)

INTENDING TO BE LEGALLY BOUND AND FOR VALUABLE CONSIDERATION, Sublessor and Sublessee have executed and delivered this Sublease on the date set forth in the first paragraph of this Sublease.

WITNESSES:

_____
Print Name: _____

_____
Print Name: _____

SUBLESSOR:

JEWELRY REPAIR ENTERPRISES, INC.

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

WITNESSES:

_____
Print Name: _____

_____
Print Name: _____

SUBLESSEE:

{NAME}

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

Exhibit A

DESCRIPTION OF SERVICE CENTER

Exhibit B

COPY OF MASTER LEASE

Attachment 4

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

This Conditional Assignment of Telephone Numbers and Listings (the "**Assignment**") is entered into this ___ day of _____, 20__ between Jewelry Repair Enterprises, Inc., a Pennsylvania corporation, with its principal place of business at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487 ("**Franchisor**," "**we**," "**us**" or "**our**") and _____, a(n) _____{corporation, limited liability company}, whose current principal place of business is _____ ("**Franchisee**," "**you**" or "**your**"). You and we are sometimes referred to collectively as the "parties" or individually as a "party."

BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____ with you, pursuant to which you plan to own and operate a franchised jewelry and watch repair business, which offers products and services from a kiosk, from an in-line store, or from a store-in-store location in a larger retail store (the "**Service Center**"). The FAST-FIX Service Center uses certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the "**System**"). We identify Service Centers and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "**Marks**"). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Service Center if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment**: FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor: (a) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**"); and (b) those certain internet website addresses ("**URLs**") associated with the Marks and used from time to time in connection with the operation of the Service Center at the address provided above. This Assignment is for collateral purposes only and, except as specified herein. Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "**Telephone Company**") and/or Franchisee's internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof. On termination or expiration of the Franchise Agreement (without extension) for any reason. Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event. Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

3. **Power of Attorney**: Franchisee agrees and acknowledges that as between Franchisor and Franchisee, on termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. On such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and the URLs on such termination or expiration and that such assignment shall be made automatically and effective immediately on Telephone Company's and ISP' s receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein on termination or expiration of the Franchise Agreement.

4. **Indemnification**: You will indemnify and hold us and our affiliates, stockholders, directors, officers, employees, agents and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company and/or ISP.

5. **Binding Effect**: This Assignment is binding on and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control**: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability**: If any provision or Section of this Assignment is held invalid for any reason, the remainder of this Assignment or of any such provision or Section will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum**: This Assignment is governed by Florida law. The parties will not institute any action against any other parties to this Assignment except in the United States District Court for the Southern District of Florida or the courts of general jurisdiction in Broward County, Florida and irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either jurisdiction or venue of such court. The parties hereby adopt the choice of law, waiver of punitive damages, exemplary damages and speculative damages and waiver of jury trial provisions in the Franchise Agreement.

(The remainder of this page has been intentionally left blank.)

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

ASSIGNOR:

{NAME, a(n) _____{corporation, limited liability company}}

By: _____

Print Name: _____

Title: _____

Date Signed: _____

ASSIGNEE:
JEWELRY REPAIR ENTERPRISES, INC., a Pennsylvania corporation

By: _____

Print Name: _____

Title: _____

Date Signed: _____

Attachment 5

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

THIS NONDISCLOSURE AND NONCOMPETITION AGREEMENT ("**Agreement**") made as of the _____, 20__, is between Jewelry Repair Enterprises, Inc., a Pennsylvania corporation ("**Franchisor**") and _____ ("**Individual**") in connection with that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") between Franchisor and _____, a(n) _____{corporation, limited liability company} ("**Franchisee**").

W I T N E S E T H:

WHEREAS, Franchisor has granted Franchisee the right to operate a FAST-FIX Service Center (the "**Franchised Business**" or "**FAST-FIX Service Center**") at a Kiosk, an In-Line Store, or a Store-in-Store Location in a larger retail store; and

WHEREAS, Individual is (a) one of Franchisee's legal or beneficial owners, (b) spouse of Franchisee's legal or beneficial owners, or (c) an individual who will receive training by Franchisee or Franchisor that is directly related to the Franchised Business, and which is, and will have access to some or all of Franchisor's Trade Secrets and other Confidential Information (as such terms are defined below); and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Franchisor, Franchisee or any other Fast-Fix Center in any Competitive Business (as defined below).

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

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

(a) For the purposes of this Agreement, a "**Trade Secret**" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in developing or operating the Franchised Business or FAST-FIX Service Center that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) For the purposes of this Agreement "**Confidential Information**" means any and all information, knowledge, know how, technologies, processes, techniques, trade secrets, business methods, procedures, pricing methodology, all draft and final site selection criteria and layouts, designs

and other plans and specifications for the construction, buildout, design, renovation, décor, equipment, signage, fixtures and trade dress elements of the FAST-FIX Service Center and any other information that Franchisor designates as confidential, proprietary or trade secrets, and information Franchisor declares to Franchisee or which Franchisee learns about Franchisor, its business or its franchise system, that is not readily available to the general public. Confidential Information includes, but is not limited to, the following of Franchisor: the Brand Standards Manual; the Customer List; any other information pertaining to Franchisee's customers or potential customers that Franchisee may collect or maintain; lists or identities of customer accounts or relationships, or particular suppliers of products with whom Franchisor has developed working relationships; and any other franchise or instructional materials

(c) Any information expressly designated by Franchisor or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his/her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands that Franchisor's providing access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisor with respect to the Trade Secrets and other Confidential Information.

2. <u>Confidentiality/Non-Disclosure</u>

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

(b) Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after expiration or termination of the Franchise Agreement or the termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisor and Franchisee are entitled to communicate Individual's obligations under this Agreement to any future customer, employer, or other party to the extent deemed necessary by Franchisor or Franchisee, as applicable, for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a FAST-FIX Service Center.

3. <u>Non-Competition</u>

(a) For purposes of this Agreement, the term "**Competitive Business**" means (i) any retail business offering any of the following goods or services: jewelry or watch repairs, jewelry or watch sales, ring sizing, chain repair and replacement, remounting, engraving, eyeglass frame repair, watch and electronic device repair, and battery replacement as well as custom jewelry design and select gift, jewelry and watch retail product opportunities or any other goods or services of Franchisees that are then authorized for Franchisor's System, or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph. Nevertheless, involvement in a Competitive Business does

not include ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent less than 5% of the number of shares of that class of securities issued and outstanding.

(b) During the term of your employment, association, service or ownership participation in Franchisee, and for a period of 24 months following the expiration or termination of Individual's employment, association, service or ownership participation in Franchisee, Individual shall not, directly or indirectly (through an immediate family member or otherwise), on his/her own behalf or on behalf of any other person or entity:

(i) solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any business affiliate of Franchisor to terminate or modify his, her or its business relationship with Franchisor, or to compete against Franchisor;

(ii) as owner, officer, director, employee, agent, lender, broker, consultant, franchisee or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business located within a radius of 25 miles from the premises of the Franchised Business or within a radius of 25 miles of any other Fast-Fix franchise (including company-owned outlets) (provided that this restriction shall not apply to a 5% or less beneficial interest in a publicly held corporation);

(iii) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of Franchisor or any of its other franchisees;

(iv) direct any prospective or existing business or economic opportunities away from Franchisor, Franchisee, their respective affiliates, or any other FAST-FIX Service Center to a Competitive Business, wherever located or operating; or

(vi) perform any act prejudicial or injurious to the goodwill associated with the Marks.

(c) Individual acknowledges that he or she is prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant. Individual acknowledges and agrees that enforcement of these provisions will not deprive Individual of his/her personal goodwill or ability to earn a living and that Individual possesses the skills and abilities of a general nature and has other opportunities for exploiting such skills. The time period of the competitive restrictions in paragraph 3(c) above will be automatically extended by the time period of any breach thereof.

(d) On termination of franchise ownership or employment by Franchisee, Individual shall surrender to Franchisor all materials considered proprietary by Franchisor, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of the Franchised Business. Individual expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Franchisor.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of the legitimate business interests of Franchisor and Franchisee, including, without limitation, the Trade Secrets and other Confidential Information, the Franchisor's business system, the Franchisor's network of franchises, and the Marks. Individual hereby waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality and Non-Competition

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

6. Miscellaneous

(a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisor. This Agreement cannot be altered or amended except by an agreement in writing signed by Individual and Franchisor.

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

(c) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Broward County, Florida. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Franchisor where Franchisee or Individual is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

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

(e) This Agreement shall be binding on the successors and assigns of Individual and shall inure to the benefit of Franchisor, its subsidiaries, successors and assigns. Franchisee is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

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

(g) Notices will be delivered in accordance with the terms of the Franchise Agreement. Any notices to Individual will be delivered to the address set forth below Individual's signature hereto.

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

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

(j) The existence of any claim or cause of action Individual might have against Franchisee or Franchisor will not constitute a defense to the enforcement by Franchisee or Franchisor of this Agreement.

(k) This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile or electronic PDF (scanned) signatures will have the same force and effect as originals.

(l) Except as otherwise expressly provided in this Agreement, no remedy conferred on Franchisee or Franchisor pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No

single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

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

THE PARTIES ACKNOWLEDGE THAT FRANCHISEE IS A THIRD PARTY BENEFICIARY TO THIS AGREEMENT AND THAT FRANCHISEE SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF FRANCHISOR.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above.

FRANCHISOR:

JEWELRY REPAIR ENTERPRISES, INC.
a Pennsylvania corporation

By: _____

Printed Name: _____

Title: _____

Date Signed: _____

INDIVIDUAL:

Signature: _____

Printed Name: _____

Date Signed: _____

Address for Notices:

_____

_____

E-Mail: _____

FRANCHISEE:

{NAME}
{a(n) _____ corporation, limited liability company}

By: _____

Printed Name: _____

Title: _____

Date Signed: _____

{Signature page to Nondisclosure and Noncompetition Agreement}

Attachment 6

REQUIRED PROVISIONS FOR LEASE RIDER

REQUIRED PROVISIONS FOR LEASE RIDER

All leases, subleases and/or related documents Franchisee enters into for the Service Center from which Franchisee will operate the Franchised Business (collectively, the "Lease") must contain a Rider with provisions acceptable to Franchisor providing that:

1. Landlord agrees that on the occurrence of a default by Tenant under the Lease (an "Event of Default"), Landlord will not exercise any remedy under the Lease that involves the acceleration of obligations, or the termination, cancellation or rescission of the Lease, unless:

    a. if the Event of Default is the non-payment of Rent, such Event of Default is not cured within ten (10) days after notice of such default has been received by Franchisor from Landlord;

    b. if the Event of Default is anything other than the non-payment of Rent, such event is not cured by Franchisor within thirty (30) days after notice of such default has been received by Franchisor from Landlord, or, if the Event is of such a nature that it cannot reasonably be cured within such thirty (30)-day period, such longer period of time as long as Franchisor commences to cure such default within such thirty (30)-day and thereafter diligently pursues the cure of such default to completion.

2. Landlord agrees to accept from Franchisor any payment, performance, or cure required or allowed under the Lease. However, nothing in this Rider will be construed as requiring Franchisor to make any payments or perform any obligation under the Lease unless and until the Lease is assigned to and assumed by Franchisor.

3. On (i) the occurrence of an Event of Default and Tenant's failure to cure such Event of Default within any cure period provided under the Lease, or (ii) the expiration or Franchisor's termination of the Franchise Agreement with Tenant, or (iii) Tenant's termination of the Franchise Agreement without cause, or (iv) Tenant's failure to timely exercise any renewal or extension rights granted pursuant to the terms of the Lease, Landlord shall provide Franchisor with notice thereof and Franchisor shall have the right, on written notice to Landlord, to take possession of the premises as the tenant under the Lease and the Lease shall then be assigned to, and assumed by, the Franchisor with no further consent of Landlord required. Alternatively, Franchisor may designate a new franchisee, licensee, joint venture partner or other designee to take assignment of and assume the Lease without Landlord's prior consent.

4. Landlord agrees that following Franchisor's assumption of the Lease as provided in 3 above, Franchisor may sublet or assign the premises to a new franchisee, licensee, joint venture partner or other designee. After such an assignment (but not after a sublease), Franchisor will have no further liability or obligation under the Lease as assignee, tenant, or otherwise with respect to matters that arise after the effective date of the assignment.

5. The Landlord acknowledges that Tenant alone is responsible for all debts, payments and performances accruing under the Lease before Franchisor or another franchisee, licensee,

joint venture partner or other designee takes possession of the premises and accepts assignment of the Lease.

6. The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. The Landlord will promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the executed modifications and amendments.

7. The Landlord agrees to furnish Franchisor with copies of all letters and notices sent to Tenant pertaining to the Lease and the premises, at the same time that these letters and notices are sent to Tenant.

Attachment 7

STATE SPECIFIC RIDERS

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

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

1. Based upon Franchisor's financial condition, the California Department of Financial Protection and Innovation, Securities Regulation Division requires that all fees be deferred until after the franchisor has completed all of its initial preopening obligations to franchisee and the franchisee is open for business.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

HAWAII RIDER TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. **The Hawaii Department of Commerce and Consumer Affairs Business Registration Division requires us to defer payment of the initial franchise fee and other initial payments owed by the franchisee to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchise location has opened for business.**

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

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

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or Florida law if such provisions are in conflict with Indiana law.

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

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

4. Any provision in the Franchise Agreement which limits litigation brought for breach of the Franchise Agreement, including Section 15.25 ("Waiver of Punitive Damages Claims"), in any manner whatsoever is deleted from the Franchise Agreement.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

ILLINOIS RIDER TO FRANCHISE AGREEMENT

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

1. The provisions of the Franchise Agreement concerning governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred on Franchisee by the Illinois Franchise Disclosure Act. Illinois law will govern the Franchise Agreement with respect to Illinois franchisees.

2. Pursuant to the Illinois Franchise Disclosure Act (815 ILCS 705 § 4), any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, arbitration may take place outside of Illinois.

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

4. Sections 705/19 and 705/20 of the Illinois Franchise Act provide rights to Franchisee concerning nonrenewal and termination of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.

5. **Section 4.1(a) of the Franchise Agreement is modified by the addition of the following language:**

   "The payment of all initial franchise fees owed to Franchisor by Franchisee will be deferred until such time as all initial obligations of Franchisor to Franchisee have been fulfilled and Franchisee has started doing business."

6. Section 15.20 ("Acknowledgment of Risk") is amended by adding the following to all Illinois Franchise Agreements:

   "Nothing contained in the Franchise Agreement waives any of Franchisee's right to rely on the disclosure made by the Franchisor in its Franchise Disclosure Document or any corresponding rights Franchisee has under the Illinois Law."

7. The following is added to Section 13.7 of the Franchise Agreement:

   "Notwithstanding the foregoing, no action can be maintained to enforce any liability created under Illinois law unless brought before the earlier of (i) the expiration of 3 years after the act or transaction constituting the violation on which such action is based; (ii) the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by Illinois Law; or (iii) 90 days after delivery to you of a written notice disclosing the violation."

{See signatures on next page}

FRANCHISEE:

{NAME}

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

FRANCHISOR:

JEWELRY REPAIR ENTERPRISES, INC.

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

MARYLAND RIDER TO FRANCHISE AGREEMENT

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

1. **Based upon Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement.**

2. Sections 2.6 and 10.2(k) of the Franchise Agreement, each of which require the execution of a general release, are each amended to add the following language:

   "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

3. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

4. Section 13.1 of the Franchise Agreement requires venue to be limited to Broward County, Florida. Any litigation arising or claims under the Maryland Franchise Registration and Disclosure Law may be brought by Franchisee in Maryland.

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. Section 4.1(a) is amended to add the following language:

   Based on its financial condition, Franchisor is required by the Minnesota Department of Commerce to defer initial fees until Franchisor has fulfilled its pre-opening obligations to Franchisee and Franchisee is open for business.

2. The following language will appear at the end of Section 13.1 of the Franchise Agreement ("Choice of Forum"):

   "Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

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

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

5. The Franchisor shall indemnify the Franchisee against liability to third parties resulting from claims by third parties that the Franchisee's use of the Franchisor's trademarks infringes trademark rights of the third party. The Franchisor does not indemnify the Franchisee against the consequences of the Franchisee's use of the Franchisor's trademarks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Franchisor of any such claim and tender the defense of the claim to the Franchisor within ten (10) days after the claim is asserted. If the Franchisor accepts the tender of defense, the Franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

FRANCHISEE:

{NAME}

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

FRANCHISOR:

JEWELRY REPAIR ENTERPRISES, INC.

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

NEW YORK RIDER TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. Sections 2.6 and 10.2(k) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release:

   "Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

2. Section 10.10 of the Franchise Agreement is amended to include the following language:

   "However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume its obligations under this Franchise Agreement."

3. Section 31 of the Franchise Agreement is amended to include the following language:

   "You may terminate this Franchise Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York."

4. Sections 13.1 ("Choice of Forum") and 13.2 ("Governing Law") of the Franchise Agreement are amended to include the following language:

   "However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred on you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder."

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

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

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement.

2. **Renewal**. The last sentence in Section 2.6 of the Franchise Agreement is modified to state: "If Franchisor allows Franchisee to renew, Franchisee shall be required to sign a general release, in a form prescribed by Franchisor, as a condition of such renewal, except as to any claims arising under the North Dakota Franchise Investment Law."

3. **Initial Franchise Fee**. Section 4.1(a) of the Franchise Agreement is modified by the addition of the following language:

   "The payment of the Initial Franchise Fee will be deferred until all initial obligations owed to Franchisee under this Agreement or other documents have been fulfilled by Franchisor and Franchisee has commenced doing business pursuant to this Agreement."

4. **Covenants Not to Compete**. Section 8.5 of the Franchise Agreement is amended to add the following sentence: "Covenants not to compete such as those referenced in this Section 8.5 are generally considered unenforceable in the State of North Dakota."

5. **Liquidated Damages for Premature Termination.** If the North Dakota Franchise Investment Law is applicable, Section 12.4 of the Franchise Agreement is deleted.

7. **Consent to Jurisdiction**. Section 13.1 of the Franchise Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits Franchisor from requiring Franchisee to consent to the jurisdiction of courts outside North Dakota, including courts in Florida."

8. **Governing Law**. Section 13.2 of the Franchise Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, requires all claims to be governed by North Dakota law and brought in courts of competent jurisdiction in North Dakota."

9. **Arbitration**. Section 13.5 of the Franchise Agreement is amended to add the following sentence: "Under the North Dakota Franchise Investment Law, if applicable, the site of arbitration must be agreeable to all parties and may not be remote from your place of business."

9. **Claims Limitation**. If the North Dakota Franchise Investment Law is applicable, Section 13.7 of the Franchise Agreement is deleted.

10. **Waiver of Trial By Jury**. Section 15.26 of the Franchise Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits Franchisor from

requiring Franchisee to waive trial by jury for any claims arising under the North Dakota Franchise Investment Law."

11. **Waiver of Exemplary and Punitive Damages**. Section 15.25 of the Franchise Agreement is amended to add the following sentence: "The North Dakota Franchise Investment Law, if applicable, prohibits Franchisor from requiring Franchisee to waive exemplary and punitive damages for any claims arising under the North Dakota Franchise Investment Law."

12. **Agreements/Releases**. Franchisee will not be required to sign a General Release for any claim arising under the North Dakota Franchise Investment Law.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from the Franchise Agreement issued in the State of Rhode Island.

2. Section 19-28.1.-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

SOUTH DAKOTA RIDER TO FRANCHISE AGREEMENT

Based upon Franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under this Agreement and Franchisee commences doing business.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

VIRGINIA RIDER TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by the franchisee to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

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

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

WASHINGTON RIDER TO FRANCHISE AGREEMENT

In lieu of an impound of franchise fees, Franchisor will not require or accept the payment of any initial franchise fees until Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business.

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

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

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

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

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

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

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

Pursuant to RCW 19.100.010(F), any person who receives financial incentives to refer franchise prospects to the franchisor may be required to register as a franchise broker under the laws of Washington.

FRANCHISEE:	**FRANCHISOR:**
{NAME}	**JEWELRY REPAIR ENTERPRISES, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date Signed: _____	Date Signed: _____

Attachment 8

PERSONAL GUARANTY

IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE'S SPOUSE MUST SIGN THE FOLLOWING AGREEMENT. IF FRANCHISEE IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY, SHAREHOLDER, GENERAL PARTNER, OR MEMBER (AS APPLICABLE), AND THEIR SPOUSES (AS APPLICABLE) MUST SIGN THE FOLLOWING AGREEMENT:

PERSONAL GUARANTY AGREEMENT

THIS PERSONAL GUARANTY AGREEMENT (this "Guaranty"), made as of _____, ____ , by _____, individually, having an address at _____ and _____, individually, having an address at _____ (individually and collectively, the "undersigned" or "Guarantor"), in favor **of Jewelry Repair Enterprises, Inc.**, a Pennsylvania corporation, having its office at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487 ("Franchisor").

RECITALS:

WHEREAS, Franchisor and _____, a(n) _____{corporation, limited liability company} ("Franchisee") entered into that certain Franchise Agreement dated as of even date herewith to operate a FAST-FIX Service Center franchise located at {_____} (the "Franchise Agreement");

WHEREAS, as a condition to the grant of the franchise under the Franchise Agreement, Guarantor is required to provide the personal guaranty as set forth below; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees as follows with the intention of being legally bound:

1. Guarantor unconditionally, jointly and severally, personally and individually guarantees to Franchisor, its successors and assigns, the prompt full payment and performance of all obligations ("Obligations") of Franchisee that are or may become due and owing to Franchisor, including, but not limited to, all Obligations arising under, resulting from or in any way in connection with the Franchise Agreement, any other franchise document related to the Franchise Agreement, or any lease or sublease for the franchised business, in the same manner as if the Franchise Agreement was signed between Franchisor and the Guarantor directly.

2. This Guaranty will not be affected by the modification, extension, or renewal of any agreement between Franchisor and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statue or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this extensions, or renewals.

3. Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of

the undersigned will be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, all presentments, demands, and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which it, he or she may be entitled.

4. Guarantor agrees that any indebtedness by Franchisee to Guarantor for any reason, currently existing or which might arise in the future, will always be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor. The Guarantor will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of Guarantor.

5. The undersigned further agree that as long as Franchisee owes any money to Franchisor (other than royalty and national advertising fund payments that are not past due) Franchisee may not pay and the undersigned may not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor.

6. Franchisor has no present or future duty to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation and to discover from Franchisor or require Franchisor to disclose to the undersigned any financial or other information concerning Franchisee, any other guarantor, or any collateral securing any of Franchisee's obligations to Franchisor.

7. This Guaranty will remain in full force and effect until all Obligations are fully paid and satisfied.

8. This Guaranty shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of Florida without regard to its choice of law or conflict of law rules. Any litigation initiated under this Guaranty shall be instituted exclusively at Franchisor's discretion in the United States District Court for the Southern District of Florida or the state court in Broward County, Florida. Each of the undersigned expressly agrees that the undersigned is subject to the jurisdiction and venue of those courts for purposes of such litigation. Each of the undersigned hereby waive and covenant never to assert any claim that the undersigned is not subject to personal jurisdiction in those courts or that venue in those courts is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the doctrine of *forum non conveniens*).Each of the undersigned waives any right to a jury trial.

9. No delay or failure of Franchisor in the exercise of any right, power, or remedy shall operate as a waiver thereof, and no partial exercise by Franchisor shall preclude any further exercise thereof or the exercise of any other right, power or remedy.

10. If Franchisor is required to enforce this Guaranty in any proceeding or any appeals, the undersigned must reimburse Franchisor for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred

prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

11. This Guaranty may be executed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Execution and delivery of this Guaranty may be made by facsimile transmission or other electronic transmission.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be duly executed and delivered, all as of the ___ day of _____, 20__.

WITNESS(ES):

_____
Print Name: _____
Address: _____
_____
Date Signed: _____

UNDERSIGNED / GUARANTOR:

_____
Print Name: _____
Address: _____
_____
Date Signed: _____

WITNESS(ES):

_____
Print Name: _____
Address: _____
_____
Date Signed: _____

UNDERSIGNED / GUARANTOR:

_____
Print Name: _____
Address: _____
_____
Date Signed: _____

Attachment 9

PRINCIPAL OWNERS STATEMENT

PRINCIPAL OWNERS STATEMENT

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, limited liability company, or limited partnership). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

1. Form of Owner. Franchisee is a (check one):

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify: _____

Franchisee was formed under the laws of _____.
(state)

2. **Business Entity**. Franchisee was incorporated or formed on _____, 20__, under the laws of the State of _____. Franchisee has not conducted business under any name other than your corporate, limited liability company, limited partnership, or other entity name, and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held

3. **Owners**. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest

4. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, bylaws, operating partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____, 20__.

OWNER

INDIVIDUALS:

_____
{Signature}
_____
{Print Name}
Date Signed: _____

_____
{Signature}
_____
{Print Name}
Date Signed: _____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

_____
{Name}

By: _____

Name: _____

Title: _____

Date Signed: _____

Attachment 10

ADDENDUM FOR STORE-IN-STORE LOCATION

ADDENDUM FOR STORE-IN-STORE LOCATION

This Addendum for Store-in-Store Location (the "**Store-in-Store Addendum**"), dated _____, 202_, amends and supplements the Franchise Agreement, including any provisions modified by an Addenda to the Franchise Agreement (the "**Franchise Agreement**"), between Jewelry Repair Enterprises, Inc., a Pennsylvania corporation ("**Franchisor**") and _____, a(n) _____{corporation, limited liability company} ("**Franchisee**").

RECITALS

A. Franchisor and Franchisee have entered into the Franchise Agreement pursuant to which Franchisee has acquired the right to operate a FAST-FIX® franchised business.

B. Franchisor and Franchisee wish to modify the Franchise Agreement in order to address the operational features of a Store-in-Store Location.

C. Franchisor holds the right to authorize the adoption and use of the Fast-Fix System at a location in a larger retail store operated by another entity (the "Store-in-Store Entity"), and has entered into a Master Lease (defined below) with the Store-in-Store Entity. The rights granted to Franchisee to operate the Store-in-Store Location are set forth in the Franchise Agreement and this Store-in-Store Addendum, including the Master Lease.

D. All capitalized terms not otherwise defined in this Store-in-Store Addendum shall have the same meaning as in the Franchise Agreement.

In consideration of the foregoing recitals, and the mutual agreements herein contained, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereby agree as follows:

1. Definition of Master Lease: The definition of "Master Lease" is modified by deleting the existing definition and replacing it with the following new definition:

> ""Master Lease" means that certain Master In-Store License, dated {Insert date}, between Franchisor and the Store-in-Store Entity, a {Insert state of organization and type of entity}, together with the Exhibit {Insert} thereto identifying your FAST-FIX Service Center location, as the same may be amended, modified, extended, renewed or replaced from time to time, a copy of which is attached as Exhibit B to the Sublease."

2. Definition of Sublease: The definition of "Sublease" is modified by deleting the existing definition and replacing it with the following new definition:

> ""Sublease" means the sublease of the Service Center from Franchisor to Franchisee for a Store-in-Store Location, in the form of Attachment 3 to the Franchise Agreement, and which is required by Franchisor pursuant to Section 7.1, as the same may be amended, modified, extended, renewed or replaced from time to time."

3. Section 2.1: This Section 2.1 is modified by inserting the following language at the end of the current Section:

> "The rights granted to Franchisee are subject to the Master Lease. Franchisee acknowledges

receipt of a copy of the Master Lease, and Franchisee agrees to comply with all provisions of the Master Lease."

4. Section 2.4: This Section is modified by deleting the existing Section 2.4 and replacing it with the following new Section 2.4:

"Term. The initial term (the "Term") of this Franchise Agreement for a Store-in-Store Location shall commence on the Commencement Date, and shall expire on the earlier of (i) the tenth anniversary of the Commencement Date, (ii) the closing of the larger retail store operated by the Store-in-Store Entity, or (iii) the termination of the Master Lease or Sublease; unless extended or sooner terminated in accordance with the terms and conditions of the Franchise Agreement. In the case of a franchise acquired from an existing Franchisee, the Term shall equal the remaining balance of the transferor's term, unless sooner terminated in accordance with the terms and conditions of the Franchise Agreement with the transferee. Franchisee acknowledges that the Term of the Franchise Agreement is subject to the term of the Master Lease which may be less than ten years."

5. Section 3.1: This Section is modified by deleting existing Section 3.1 and replacing it with the following new Section 3.1:

"Site Acceptance and Section. Franchisee shall be responsible for locating the site of the Service Center, subject to the current list of available larger retail stores operated by the Store-in-Store Entity and Franchisor's prior written approval. If Franchisee has suggested a site which Franchisor has approved before the execution of this Franchise Agreement, then the address of that site will be set forth on Attachment 2 to the Franchise Agreement."

5. Section 3.2: This Section is modified by deleting existing Section 3.2 and replacing it with the following new Section 3.2:

"Dislocation. If Franchisee becomes dislocated from the Service Center prior to the expiration of the Term or earlier termination of this Franchise Agreement due to (a) the refusal of Franchisee's the Store-in-Store Entity to renew or extend the Lease through no fault of Franchisee (or, if applicable and through no fault of Franchisee, in the event Franchisor requires Franchisee to enter into a Sublease, the refusal of the Store-in-Store Entity or Franchisor to renew or extend the Master Lease), (b) the closing of the larger retail store operated by the Store-in-Store Entity, or (c) fire, flood or other disaster or accident affecting the Service Center, and at such time no default of this Franchise Agreement has occurred and is continuing (and no event has occurred which, with the passage of time, the giving of notice or both, would result in a default of this Franchise Agreement), Franchisor, on Franchisee's request, may, but is not obligated to, assist Franchisee, at Franchisee's expense, in locating a new site for the Franchised Business. On relocation, and to the extent that the exclusivity provisions of Section 2.3 hereof are in full force and effect and have not become void as provided for therein, such provisions shall, to the greatest extent possible, apply with respect to the relocated Service Center, having due regard for the rights of others which arose prior to relocation. All costs and expenses associated either directly or indirectly with dislocation or relocation (including any costs incurred by Franchisor relating to the dislocation or relocation) shall be borne solely by Franchisee. Franchisee must reopen the Franchised Business at the new location within the time period required by Franchisee's new or amended Lease, or by the new or amended Master Lease or Sublease, as applicable. Further, Franchisee shall be

required to reimburse Franchisor its direct costs associated with the approval of a new location, such as site location or lease negotiation assistance, legal and accounting fees, travel expenses, and other out-of-pocket expenses."

7. Section 4.1(c): This Section is modified by deleting existing Section 4.1(c) and replacing it with the following new Section 4.1(c):

"Lease Negotiation. Franchisee must reimburse Franchisor for its costs and expenses for reviewing and negotiating the Master Lease (or any amendment or modification), including the Sublease, promptly on Franchisor's written request."

8. Section 4.2(b): This Section is deleted in its entirety.

9. Section 7.1: This Section is modified by deleting existing Section 7.1 and replacing it with the following new Section 7.1:

"Site Selection and Acceptance; Sublease.

(a) Site Selection and Acceptance. Pursuant to Section 3.1 above, Franchisee agrees to use best efforts to find an acceptable site for the Service Center from the current list of available larger retail stores operated by the Store-in-Store Entity provided to Franchisee by Franchisor. Franchisee must comply with all of Franchisor's specifications, requirements and restrictions for FAST-FIX Service Centers. It is of the essence of this Franchise Agreement that Franchisee select a site for the Service Center and obtain Franchisor's prior written approval for the site within 60 days following the Effective Date. If Franchisee does not secure a site within the time limits and following the procedures specified in this Section 7.1, then this failure will be a material and incurable breach of this Franchise Agreement which, unless Franchisor waives the breach, will entitle Franchisor to terminate this Franchise Agreement immediately on notice to Franchisee, with no opportunity to cure. The site of the Service Center will be subject to Franchisor's prior written approval, and Franchisor's determination will be final.

(b) Sublease. Franchisor will review the Master Lease (or any amendment or modification of the Master Lease) and negotiate with the Store-in-Store Entity, subject to reimbursement for Franchisor's costs and expenses pursuant to Section 4.1(c) above. As soon as practicable following receipt of the executed Attachment 2 to the Franchise Agreement, (a) Franchisor will execute the required addendum to the Master Lease, and (b) Franchisor and Franchisee will execute the Sublease attached as Attachment 3 to the Franchise Agreement."

10. Section 11.1: This Section is modified by deleting the existing Section 11.1 and replacing it with the following new Section 11.1:

"Insurance. Throughout the Term, Franchisee shall purchase and maintain in effect such types of insurance in such amounts as Franchisor or the Store-in-Store Entity may require, including policies of at least the following types and coverage amounts:

(a) A Comprehensive General Liability Policy, including premises/operations, independent contractors broad form property damage, personal/advertising injury, blank contractual liability, fire and explosion legal liability, explosion/collapse/ an underground hazard coverage, products completed operations coverage, bodily injury and death in the

amount of $2,000,000 per occurrence and $3,000,000 in the aggregate, or in such other amounts as Franchisor or the Store-in-Store Entity may reasonably request, for the operation of the Franchised Business;

(b) Business Automobile Liability Policy, with minimum combined single limits of $1,000,000, which includes coverage and coverage for all owned, hired and non-owned vehicles.

(c) Workers Compensation insurance prescribed by law in the state in which the FAST-FIX Service Center is located and Employer's Liability Insurance with $1,000,000 minimum limit. If the state in which the FAST-FIX Service Center is located allows the option of not carrying Worker's Compensation insurance, Franchisee must nonetheless carry and maintain Workers Compensation insurance with minimum limits of $500,000 per occurrence. Such Workers Compensation insurance policy shall include an Alternate Employer Endorsement.

(d) All-Risk Contents/ Personal Property Coverage on improvements, merchandise, inventory, contents, furniture, fixtures, equipment and other property located in each Store-in-Store Location, in amount to cover one hundred percent (100%) of the replacement of the cost of such property.

(e) In connection with the construction, refurbishment, renovation or remodeling of the Service Center, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to Franchisor;

(f) Fire and extended coverage, vandalism, malicious mischief and special extended coverage insurance to the extent of 100% of the replacement value of the Service Center, including the structure, if applicable, and all leasehold and building improvements to the Service Center, as well as the cost of replacement of all fixtures, equipment, contents and personal property therein;

(g) Business interruption insurance, in an amount equal to one year's annual rent payments under the Lease plus (i) if the Franchised Business has been in operation for less than 12 months at the time such insurance is required to be in effect, $14,400 or (ii) if the Franchised Business has been in operation for 12 months or more at the time such insurance is required to be in effect, an amount equal to the greater of (A) the Royalty Fees for the preceding calendar year and (B) $14,400; and

(h) Bailee's or Jeweler's Block insurance sufficient to cover losses relating to any items delivered to the Service Center by a customer or other party.

(i) All insurance as may be required under the Master Lease.

Franchisee agrees that the amounts of coverage or extent of coverage stated in this Section 11.1 are minimum and that if the Store-in-Store Entity or Franchisor determine in their discretion the Franchised Business dictates additional types of insurance (including, but not limited to, employment practices liability insurance) or broader or higher coverage amounts, the same shall be immediately procured by Franchisee pursuant to the terms hereof. To the extent legally permissible, all such insurance policies shall name (i) Franchisor, (ii) the Store-in-Store Entity, and its parent, subsidiary and affiliated entities, and (iii) any party designated by Franchisor as an additional insured and loss payee.

In the event Franchisee shall fail to obtain the insurance required herein, Franchisor may, but is not obligated to, purchase said insurance. (Franchisee may authorize Franchisor to purchase and

to administer the required minimum insurance on Franchisee's behalf. However, Franchisor, by placement of the required minimum insurance, assumes no responsibility for premium expense nor guarantees payment for any losses sustained by Franchisee.) Franchisor may relieve itself of all obligations with respect to the purchase and administration of such required insurance coverage by giving ten (10) days written notice to Franchisee.

All insurance shall be placed with a reputable insurance company licensed to do business in the state in which the Service Center is located and having a rating of A+ or better and a financial Size Category rating of VII or better as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies."

11. Section 12.1(s): This Section is modified by deleting the existing Section 12.1(s) and replacing it with the following new Section 12.1(s):

"If Franchisee defaults under the Master Lease or the Sublease."

12. The Franchise Agreement shall remain in full force and effect except as specifically amended herein.

13. This Store-in-Store Addendum and the documents referred to herein constitute the entire, full and complete agreement between the Franchisor and Franchisee concerning the subject matter hereof and supersede any and all prior agreements. No other representations have induced Franchisee to execute this Store-in-Store Addendum, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein which are of any force or effect with reference to this Store-in-Store Addendum or otherwise. No amendment, change, or variance from this Store-in-Store Addendum shall be binding on either party unless executed in writing.

14. This Store-in-Store Addendum shall be governed by the laws of the State of Florida, without regard to application of Florida choice of law rules.

15. This Store-in-Store Addendum may be executed in any number of counterparts and by facsimile or other electronic means including PDF, each of which shall be deemed an original and all the counterparts taken together shall be deemed to constitute one and the same instrument.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, this Store-in-Store Addendum has been duly executed by the authorized representatives of each party as of the day and year specified in the first paragraph of this Store-in-Store Addendum.

Franchisor:

JEWELRY REPAIR ENTERPRISES, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

Franchisee:

{NAME}

By: _____

Name: _____

Title: _____

Date Signed: _____

Attachment 11

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

This Conditional Assignment and Assumption of Lease (the "**Assignment**") is made, entered into and effective as of the effective date of the Lease (as defined herein below), by Jewelry Repair Enterprises, Inc., a Pennsylvania corporation, with its principal place of business at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487 ("**we**," "**us**" or "**our**") and _____, a(n) _____{corporation, limited liability company}, with its principal place of business at _____ ("**you**" or "**your**").

BACKGROUND INFORMATION

We entered into that certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with you, pursuant to which you plan to own and operate a franchise to operate a jewelry and watch repair business, which offers products and services from a kiosk or in-line store (the "**Service Center**") located at that certain site approved by us pursuant to Sections 3.1 and 7.1 of the Franchise Agreement ("**Site**"). In addition, pursuant to that certain Lease Agreement (the "Lease"), you have leased or will lease certain space containing the Service Center described therein from _____ (the "**Landlord**"). The Franchise Agreement requires you to deliver this Assignment to us as a condition to the grant of a franchise.

OPERATIVE TERMS

We and you agree as follows:

ARTICLE 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.

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

ARTICLE 3. **Indemnification of Us**: You agree to indemnify and hold us and our affiliates, stockholders, directors, officers 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, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

ARTICLE 4. **Assignment**: You grant to us 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 Service Center, and all of your rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by you or your affiliates to the Landlord 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 you under the terms of the Lease, or, in the event we make any payment to the Landlord as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under the Franchise Agreement, and we will be entitled to the possession of the Site and to all of your rights, title and interest 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 of our other rights or remedies under any other Agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. In addition, our rights to assume all obligations under the Lease provided in this Assignment are totally optional on our part. You agree to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us to perfect or document the interests and assignments granted herein.

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

ARTICLE 6. **Exercise of Remedies**: In any case of default by you under the terms of the Lease or under the Franchise Agreement, we will be entitled, in our sole discretion, to exercise any one or more of the following remedies:

6.1. to take possession of the Site, or any part thereof, personally, or by our agents or attorneys;

6.2. to without notice and with or without process of law, enter on and take and maintain possession of all or any part of the Site, together with all your furniture, fixtures, inventory, books, records, papers and accounts;

6.3. to exclude you, your agents or your employees from the Site;

6.4. as your attorney-in-fact or in our own name, and under the powers herein granted, to hold, operate, manage and control the Service Center and conduct the business, if any, thereof, either personally or by our agents, with full power to use such measures, legally rectifiable, as we 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 us to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

6.5. to cancel or terminate any unauthorized agreements or subleases entered into by you, for any cause or ground which would entitle us to cancel the same;

6.6. 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; and

6.7. to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and/or

6.8. notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of your default under the Lease.

ARTICLE 7. **Power of Attorney**: You do hereby irrevocably appoint us as your true and lawful attorney-in-fact in your name and stead and hereby authorizes us, on 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 on such terms and conditions as we may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have on taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred on us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

ARTICLE 8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to us and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the parties, but are deemed an additional remedy and are cumulative with the remedies therein and elsewhere granted to us, all of which remedies are enforceable concurrently or successively. No exercise by us or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

ARTICLE 9. **Binding Agreements**: This Assignment and all provisions are binding on the parties, 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 “we,” “us” or “our” or “you” and “your” includes 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.

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

ARTICLE 11. **Attorney’s 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.

ARTICLE 12. **Severability**: If any provision or Section of this Assignment is be held invalid for any reason, the remainder of this Assignment or of any such provision or Section 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.

"**YOU**":

{NAME}, a(n)
_____{corporation, limited liability company)

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

"**US**":

JEWELRY REPAIR ENTERPRISES, INC., a Pennsylvania corporation

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

Attachment 12

SBA ADDENDUM

SBA ADDENDUM[1]

{Note: Franchisee may be required to sign this standard form, or the then-current standard form approved by the U. S. Small Business Administration.}

THIS ADDENDUM ("Addendum") is made and entered into on {Date}, by and between JEWELRY REPAIR ENTERPRISES, INC., ("Franchisor"), located at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487 and {Franchisee Name} (Franchisee"), located at {Address}.

Franchisor and Franchisee entered into a Franchise Agreement on {Effective Date} (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign.

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 – 3733.

Authorized Representative of FRANCHISOR:

By: _____
Print Name: {Franchisor Signatory}
Title: {Franchisor Signatory Title}
Date Signed: _____

Authorized Representative of FRANCHISEE:

By: _____
Print Name: {Franchisee Signatory}
Title: {Franchisee Signatory Title}
Date Signed: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

Attachment 13

ACH/PRE-AUTHORIZED DEBIT AUTHORIZATION FORM

ACH/PRE-AUTHORIZED DEBIT AUTHORIZATION FORM

Monthly Royalties, Lightspeed, Lease Negotiations, Franchise Advertising Program (FAP), Promissory Note and Renewal Fees

Store Name: _____ **Store #**: _____

Franchisee Name: _____

I (We) authorize Jewelry Repair Enterprises, Inc. to initiate entries to debit my (our) account as described below:

Account Holder(s) Name: _____

Account Holder(s) Address: _____

City, State & Zip: _____

Financial Institution's Name: _____

Financial Institution's Address: _____

Financial Institution's Routing Number: _____

Checking/Savings Account Number: _____ **Checking:** ☐ **Savings:** ☐

Amount of Debit: Royalty, Lightspeed, Lease Negotiation, FAP, Promissory Note and Renewal Fees are debited as required.

Commencement Date of First Debit: _____

The authority is to remain in full force and effect until Jewelry Repair Enterprises, Inc. has received written notification from me (or either of us) of its termination. A two-week notice is required for the termination of this Authorization Agreement.

Authorized Signature: _____ **Authorized Signature**: _____

Full Name: _____ **Full Name**: _____

Date: _____ **Date**: _____

Telephone Number: _____ **Telephone Number**: _____

RETURN COMPLETED FORM:
ATTENTION: ACCOUNTS RECEIVABLE, WITH A VOIDED CHECK,
TO THE EMAIL OR ADDRESS BELOW:

Fadi Esmail, CFO & EVP of Operations: fesmail@fastfixfranchise.com

Jewelry Repair Enterprises, Inc. 6413 Congress Ave, Ste. 240, Boca Raton, FL 33487 Office: (800) 359-0407

EXHIBIT C

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EXHIBIT D

FRANCHISEES AND COMPANY-OWNED LOCATIONS
(As of December 31, 2022)

FRANCHISEES WITH OUTLETS OPEN AS OF DECEMBER 31, 2021

FRANCHISEE	ADDRESS	TELEPHONE
ALASKA		
Northern Jewelers, LLC	5th Avenue Mall 320 W. 5th Avenue, #E50A Anchorage, Alaska 99501	907-278-3278
ARIZONA		
Johnson, Donald and Kristin & JFMLY Investments, Inc.	Chandler Fashion Center 3111 West Chandler Blvd., #2174 Chandler, Arizona 85226	480-786-6132
Blythe, Charles W. & Blyco, Inc.	San Tan Village 2200 E. Williams Field Road Bldg. 5, Suite #118 Gilbert, Arizona 85296	480-821-3201
Gosielewski , Fred and Arlene & A&F Jewelry Works, Inc.	Arrowhead Towne Center 7700 W. Arrowhead Towne Center, #2139 Glendale, Arizona 85308	602-878-9811
Johnson, Donald and Kristin & JFMLY Investments, Inc.	Scottsdale Fashion Square 7014 E. Camelback Road, #2096 Scottsdale, Arizona 85251	602-994-8909
CALIFORNIA		
Yeo, Woonseong (Jeff) and Park, Soonja	Westfield Santa Anita 400 S. Baldwin Avenue, #T34 Arcadia, California 91007	626-446-1446
Ichlokmanian, Vartan and Siran & VVSD Jewelers, Inc.	Valley Plaza 2701 Ming Avenue, #0132 Bakersfield, CA 93304	661-636-5844
Geysimonian, Hovhannes (John) and Underhill, Anais Anahit & HAU Jewelry Repairs, Inc.	Brea Mall 1044 E Brea Mall Brea, California 92821	818-522-9697
Ichlokmanian, Akob and Emma	Westfield Topanga 6600 Topanga Canyon Blvd., #1058D Canoga Park, California 91303	818-346-0010
Le, Tin Duc and Tran, Ly Thi	Westfield Carlsbad 2525 El Camino Real, #235 Carlsbad, California 92008	760-729-1099
Hong, Andy Hoang	Los Cerritos Center, #9001 9001 Los Cerritos Center Cerritos, California 90703	562-860-1305
Luong, Liem T. and Quan, Nhumai T.	Sunrise Mall 5967 Sunrise Mall Citrus Heights, California 95610	916-961-5168
Pham, Ben & BBB Premier Jewelry, Inc.	Sun Valley Mall 439 Sun Valley Mall Concord, California 94520	925-680-2552

FRANCHISEE	ADDRESS	TELEPHONE
Ichlokmanian, Harout and Sylva	Westfield Culver City 6000 Sepulveda Blvd., #2800 Culver City, California 90230	310-397-4731
Ichlokmanian, Akob and Emma	Stonewood Center 205 Stonewood Street, #B3 Downey, California 90241	562-862-7100
Tran, Vinh and Lieu, Paula & Pro Jeweler & Watch LLC	Westfield Parkway Plaza 295 Parkway Plaza El Cajon, California 92020	619-444-1170
Tran, Vinh Nguyen and Lieu, Paula & Ngoc Pro Jeweler & Watch LLC	Westfield North County Shopping Center 200 E. Via Rancho Parkway, #250 Escondido, California 92025	760-796-4499
Pham, Ben & BBB Premier Jewelry, Inc	Westfield Solano Mall 1350 Travis Blvd., Ste. 1439B Fairfield, California 94533	707-399-0774
Ichlokmanian, Akob and Emma	Glendale Galleria 1190 Glendale Galleria Glendale, California 91210	661-273-2222
Shekarachi, Saeed and Ezdagni, Homeira	Culver Plaza 15333 Culver Drive, Ste. 9008 Irvine, California 92604	949-536-5595
Nguyen, Trang Anh K. & Kim Tu Jewelers Corporation	Lakewood Center 97 Lakewood Center Lakewood, California 90712	562-529-5951
Minassian, Garo (Gary) & I Fix Jewelry & Watches, Inc.	Beverly Center 8500 Beverly Blvd., Suite 703 Los Angeles, California 90048	310-659-9152
Zeeb, Mikhail and Al-Hanna, Razan	Westfield Century City 10250 Santa Monica Blvd., #9001 Los Angeles, California 90067	310-843-9122
Aubin, Despina & Eternal Diamonds, Inc.	Shops at Mission Viejo 210 The Shops at Mission Viejo Mission Viejo, California 92691	949-365-0100
Ouhan, Ohans and Ouhan Khachatryan, Diana & Montclair Jewelry & Watch Repair, Inc.	Montclair Plaza 2079 E. Montclair Plaza Lane Montclair, California 91763	909-625-6560
Goryan, Sam & Adriana Goriani Designs, GP	The Shops at Montebello 1728 Montebello Town Center Drive Montebello, California 90640	323-887-2345
Charaf, Mahmoud (Gio) and Hishmi, Rana	Westfield Plaza Bonita 3030 Plaza Bonita Road, #2437 National City, California 91950	619-267-6519

FRANCHISEE	ADDRESS	TELEPHONE
Shekarchi, Saeed and Ezdagni, Homeira & EZ Tala, Inc.	Fashion Island 401 Newport Center Drive, Suite A205 Newport Beach, California 92660	949-760-1100
Poghosyan, Ishkhan & Reliable Repairs and Retail, Inc.	Northridge Fashion Center 9301 Tampa Avenue, #25 Northridge, California 91324	818-700-1303
Zeeb, Mikhail & ZEEB Enterprises LLC	Westfield Palm Desert 72840 Highway 111, #V415 Palm Desert, California 92260	760-346-0313
Ichlokmanian, Vahan and Kakosimidi, Maria & VIM Services Inc.	Antelope Valley Mall 1233 West Rancho Vista Blvd., Space #902 Palmdale, California 93551	818-935-9830
Ly, Hoa Jim and Nguyen, Hong Tuyet	Stoneridge Shopping Center 2242 Stoneridge Mall Road, #217C Pleasanton, California 94588	925-251-0937
Hong, Ricky	Victoria Gardens 7872 Monet Avenue Rancho Cucamonga, California 91739	909-646-7200
Zeeb, Mikhail and Al-Hanna, Razan	Galleria at Tyler 2032 Galleria at Tyler, #F205 Riverside, California 92503	951-688-8600
Maliki & Co., LLC & Kalayli, Malek Jean	Westfield Galleria at Roseville 1151 Galleria Blvd., #238 Roseville, California 95678	916-780-6888
Ouhan, Ohans and Khachatryan, Diana & Montclair Jewelry & Watch Repair, Inc.	Inland Center Mall 500 S. Inland Center Drive, #356 San Bernardino, California 92408	909-888-6600
Villafuerte, Xavier	Westfield University Towne Center 4525 La Jolla Village Drive, Suite D40 San Diego, California 92122	858-457-1914
Ly, Hoa & Nguyen, Hong	Westfield Oakridge Mall 925 Blossom Hill Road, #1108 San Jose, California 95123	408-972-9710
Gomberg, David and Bonnie	MainPlace Mall 2800 N. Main Street, #701 Santa Ana, California 92705	714-835-7295
Nguyen, Hong and Ly, Hoa	Westfield Valley Fair 2855 Stevens Creek Blvd., #1083 Santa Clara, California 95050	408-296-6398
Der Parseghian, Garbis and Avanes, Hasmik	Westfield Fashion Square 14006 Riverside Drive, #27 Sherman Oaks, California 91423	818-789-0197
Espinoza, Jesus “Tony” A. and Yadira	The Promenade in Temecula 40820 Winchester Road, #2290 Temecula, California 92591	951-296-0727

FRANCHISEE	ADDRESS	TELEPHONE
Villafuerte, Xavier	The Oaks 298 West Hillcrest Drive Thousand Oaks, California 91360	805-557-4994
Ichlokmanian, Akob and Harout & Ichlok & Manian, Inc.	Del Amo Fashion Center 21880 Hawthorne Blvd., #337A Torrance, California 90503	310-370-0330
Arabian, Chant & Fast-Fix Valencia LLC	Westfield Valencia Town Center 24201 West Valencia Blvd., #2265 Valencia, California 91355	661-288-1459
Zeeb, Mikhail & ZEEB Enterprises, LLC	The Mall of Victor Valley 14400 Bear Valley Road, #409 Victorville, California 92392	760-951-8860
Ghassemi, Masood and Saberi, Homeira Torki	Westfield Plaza West Covina 585 Plaza Drive West West Covina, California 91790	626-814-2625
Nguyen, Tranganh K. & Tony Jewelers Corporation	Westminster Mall 1006A Westminster Mall Westminster, California 92683	714-896-6673
COLORADO		
Smith, Douglas & Colorado Jewelry & Watch Repair, Inc.	Cherry Creek Shopping Center 3000 E. First Avenue, #217 Denver, Colorado 80206	720-941-4110
Colorado Jewelry & Watch Repair, Inc. & Smith, Douglas	Park Meadows Mall 8405 Park Meadows Center Drive, #1019 Littleton, Colorado 80124	303-790-0112
DELAWARE		
MRT Enterprises, Inc. & Thompson, Mark E. and Rose M.	Christiana Mall 457 Christiana Mall, #1133 Newark, Delaware 19702	302-453-1151
FLORIDA		
Nguyen, Phong and Mai, Maria & PN Designs, LLC	Altamonte Mall 415 E. Altamonte Drive, #1445 Altamonte Springs, Florida 32701	407-261-1595
Woskobojnik, Leon Mario & MBM Enterprises Corp. of South Florida	Boca Town Center 6000 Glades Road, #1108A Boca Raton, Florida 33431	561-347-6664
Narvaez, Luis A. and Dawn	Westfield Brandon 649 Brandon Town Center Brandon, Florida 33511	813-655-9498
S.J. Castings & Supplies, Inc. & Sau, Thong and Yen	Westfield Countryside 27001 US Highway 19 North, #9085 Clearwater, Florida 33761	727-724-6016
Estate of Gus Kiriazis & GBMM Enterprises, Inc.	Coral Square Mall 9251 West Atlantic Blvd. Coral Springs, Florida 33071	954-345-4656

FRANCHISEE	ADDRESS	TELEPHONE
Calderon, Franklin E. and Silvia L. & FJ Mas Corp. and K113, LLC	Miami International Mall 1455 NW 107th Avenue, #K113 Miami, Florida 33172	305-639-2450
Esau Agudelo, Inc. & Agudelo, Esau	Coconut Point Town Center 23190 Fashion Drive, #115 Estero, Florida 33928	239-949-4500
Esau Agudelo, Inc. & Agudelo, Esau	Miromar Outlets 10801 Corkscrew Road, #188 Estero, Florida 33928	239-949-8669
Abad, Robert & RA Enterprises of South Florida, Inc.	Edison Mall 4125 Cleveland Avenue, #2015 Ft. Meyers, Florida 33901	239-278-0709
Whitehurst, Christian and Courtney Pamela & CW Repairs, Inc.	St. Johns Town Center 4668 Town Crossing Drive, #109 Jacksonville, Florida 32246	904-641-7545
Whitehurst, Christian and Courtney Pamela & Whitehurst Jewelry, Inc.	The Avenues 10300 Southside Blvd., #130A Jacksonville, Florida 32256	904-519-9666
Livshin, Steven	Treasure Coast Square 3318 NW Federal Highway Jensen Beach, Florida 34957	772-692-3774
James, Steven and Maureen & James Enterprises of Brevard, Inc.	Melbourne Square Center 1700 W. Newhaven Avenue, #1030 Melbourne, Florida 32904	321-952-5400
Calderon, Franklin E. and Silvia L. & FJ Mas Corp. and K113, LLC	Dadeland Mall 7565 N. Kendall Dr., #K163 Miami, Florida 33156	305-667-5833
Esau Agudelo, Inc. & Agudelo, Esau	Coastland Center 1920 Tamiami Trail North, #J11 Naples, Florida 34102	239-649-8008
Slaybe, George J. & J.J.J.S. Enterprises, Inc.	The Mall at Millenia 4200 Conroy Road, #199 Orlando, Florida 32839	407-248-8989
Simonassi, Alvaro M.; Delgado, Mariela A., and Pagliano, Roberto G. & PASIM LLC	The Gardens Mall 3101 PGA Blvd., #C125 Palm Beach Gardens, Florida 33410	561-530-7722
Carenso, Inc. & Simonassi, Alvaro M. and Delgado, Mariela A.	Westfield Broward Mall 8000 W. Broward Blvd., #613 Plantation, Florida 33388	954-474-2267
Brown, Patrick A. Patrick B Jewelry, LLC	Walmart – Stuart 4001 SE Federal Highway Stuart, Florida 34997	772-223-5522
Narvaez, Louis A. & Dawn	Citrus Park Mall 8133 Citrus Park Town Center Mall, #8090 Tampa, Florida 33625	813-792-8486

FRANCHISEE	ADDRESS	TELEPHONE
Slaybe, George & J.J.J.S. Enterprises, Inc.	International Plaza 2223 N. Westshore Blvd., #151B Tampa, Florida 33607	813-644-6879
Slaybe, George & J.J.J.S. Enterprises, Inc.	Shops at Wiregrass 28139 Paseo Drive, Bldg. 7, Space 175 Wesley Chapel, Florida 33543	813-907-3898
Woskobojnik, Leon M. & Orotech, Inc.	Wellington Mall 10300 W. Forest Hill Blvd., #196A Wellington, Florida 33414	561-784-0034
GEORGIA		
Roshan, Hanif A. & Sansal Jewelers & Repair, Inc.	Cumberland Mall 2860 Cumberland Mall, #1452 Atlanta, Georgia 30339	770-437-9600
Stivers, Michael and Kathryn & VIS LA VIE!, LLC	Perimeter Mall 4400 Ashford Dunwoody Road, #2225 Atlanta, Georgia 30346	770-395-0200
Gadelov, Moshiykh (Michael) & Michael Jewelry and Watch Repairs LLC	Mall of Georgia 3333 Buford Drive, #2005A Buford, Georgia 30346	770-831-7857
Reiter, Richard & Patty Platinum Express, LLC	Arbor Place Mall 6700 Douglas Blvd., #2410 Douglasville, Georgia 30135	770-949-2248
Fatakhova, Tova & Fatakh, Inc.	Town Center at Cobb 400 Barret Parkway, #288 Kennesaw, Georgia 30144	770-419-0359
Gadelov, Vladislav Rafael 'Yevich' & MVP Jewelers, LLC	Lenox Square 3393 Peachtree Road NE Atlanta, Georgia 30326	404-869-1877
Cao, Vincent Van	North Point Mall 1000 North Point Circle, #2196 Alpharetta, GA 30022	770-619-7069
ILLINOIS		
Bagia, Vijay and Nita & V P Jewelers, Inc.	Chicago Ridge Mall 231 Chicago Ridge Mall, #F3 Chicago ridge, Illinois 60415	708-499-2876
Feldman, Gene & Debra North Shores Jewelers, Inc.	Westfield Hawthorn 1135 Hawthorn Center Vernon Hills, Illinois 60061	847-281-9700
INDIANA		
Thurminators, LLC & Thurman, Donald R. and John	Meijer #501 4222 Charlestown Road New Albany, IN 47150	812-948-8885
KENTUCKY		

FRANCHISEE	ADDRESS	TELEPHONE
Thurminators, LLC & Thurman, Donald R. and John	Mall of St. Matthews 6000 Shelbyville Road, #1050 Louisville, Kentucky 40207	502-899-2116
Thurminators, LLC & Thurman, Donald R. and John	Meijer #502 4500 S. Hurstbourne Parkway Louisville, Kentucky 40299	502-491-5912
Thurminators, LLC & Thurman, Donald R. and John	Meijer #503 9500 Preston Highway Louisville, Kentucky 40229	502-822-3596
MARYLAND		
Jara, Xavier Rodrigo and Lorena Carmen & Jara Trading, LLC	Westfield Annapolis 1010 Annapolis Mall, #189 Annapolis, Maryland 21401	410-266-6235
Kim, Myong J. & Inja & Daan Incorporated	White Marsh Mall 8200 Perry Hall Blvd., #1475 Baltimore, Maryland 21236	410-933-0427
MISSOURI		
Shalaby, Shadi M. & Fix Time 2 LLC	Saint Louis Galleria 1155 Saint Louis Galleria, #1101 Saint Louis, Missouri 63117	314-725-3278
NEVADA		
Nguyen, Hong Huyen	Downtown Summerlin 1980 Festival Plaza Drive, #120 Las Vegas, Nevada 89135	702-901-7076
NEW MEXICO		
Kohler, Max & Jewelry Design, Inc.	Coronado Center 6600 Menaul Blvd. NE, #H-002 Albuquerque, New Mexico 87110	505-855-9191
NEW YORK		
Rea, Sergio & Sefer Repair Co., Inc.	Queens Center 9015 Queens Blvd., #1028 Elmhurst, New York 11373	718-271-3103
Kofoff Repair Co., Inc. & Rea, Sergio	Roosevelt Field 630 Old Country Blvd, Space #2015A Garden City, New York 11530	516-248-6969
Lee, Hyun and Sammy	Staten Island Mall 2655 Richmond Avenue, #1418 Staten Island, New York 10314	718-477-9800
NORTH CAROLINA		
Elrefaey, Abdelmagid (Abdo) & Diamond Pyramids Inc.	Crabtree Valley Mall 4325 Glenwood Avenue, Space 2117 Raleigh, North Carolina 27612	919-594-1555
OREGON		

FRANCHISEE	ADDRESS	TELEPHONE
Garcia, Robert and Menjivar, Wendy & TJ Macin, Inc.	Clackamas Town Center 12000 SE 82nd Avenue, #5539 Happy Valley, Oregon 97086	503-654-7021
Flaherty, Damian and James & IMDCL, Inc.	Washington Square 9607 SW Washington Square Road Tigard, Oregon 97223	503-639-4810
PENNSYLVANIA		
Murphy, John E. John Murphy's Jewelry Repair Center, Inc.	Millcreek Mall 547 Millcreek Mall Erie, Pennsylvania 16565	814-864-8805
Lurie, Gwen D. and Jacques A. & GLurie Enterprises, Inc.	The Plaza at King of Prussia 160 N. Gulph Road, #2025 King of Prussia, Pennsylvania 19406	610-337-3001
Shimenko, Michael Y.	Ross Park Mall 1000 Ross Park Mall Drive, #G02A Pittsburgh, PA 15237	412-366-8008
SOUTH CAROLINA		
Conlon-Beaumont, Katrina Rose; Paulson, Jacquelyn Marie and Joel Gregory & Crown Jewels Inc.	Coastal Grand 2000 Coastal Grand Circle, #105 Myrtle Beach, South Carolina 29577	843-839-2933
TENNESSEE		
Plotitsa, Lenny and Mila & Goldsmith Repair Company of Franklin, Inc.	Cool Springs Galleria 1800 Galleria Blvd., #2410 Franklin, Tennessee 37067	615-771-8588
Plotitsa, Mila and Lenny & Goldsmith Repair Company of Memphis, Inc.	Wolfchase Galleria 2760 N. Germantown Parkway, #1385 Memphis, Tennessee 38133	901-385-5445
Plotitsa, Lenny & Goldsmith Repair Company of TN, LLC	Mall at Green Hills 2126 Abbott Martin Road, #168 Nashville, Tennessee 37215	615-375-3743
Plotitsa, Lenny & Goldsmith Repair Company of Memphis, Inc.	Opry Mills Mall 150 Opry Mills Drive, Space 516 Nashville, Tennessee 37214	615-851-0424
TEXAS		
Pham, Phuong & Thao & P & H Jewelry, Inc.	The Parks at Arlington 3811 S. Cooper Street, #1012 Arlington, Texas 76015	817-417-9100
Bowtie Holdings, LLC & Mach, Marisa and Corey James	Barton Creek Square Shopping Center 2901 S. Capitol of Texas Highway, #J12 Austin, Texas 78746	512-328-0864
Mach, Marisa and Cori Faye & Lonestar Jewelry Services, LLC	Lakeline Mall 11200 Lakeline Mall Drive, #K5 Austin, Texas 78613	512-257-9419

FRANCHISEE	ADDRESS	TELEPHONE
Jewelry Marketing of the Southwest, Inc.	NorthPark Center 8687 North Central Expressway, @2320 Dallas, Texas 75225	214-361-2811
Heang, Kuoch & J & K Watch and Jewelry Repair, LLC	Galleria Dallas 13350 Dallas Parkway, #3250 Dallas, Texas 75240	972-233-0303
N-BAR-A, Inc. & Nielsen, Robert and Sara	Baybrook Mall 1378 Baybrook Mall Friendswood, Texas 77546	281-480-6657
Mach, Marisa and Cori & TMY Holdings LLC	Stonebriar Centre 2601 Preston Road, #1256 Frisco, Texas 75034	972-377-7727
Du, David & Rosalie La Southwest, Inc.	The Galleria 5015 Westheimer, #1485 Houston, Texas 77056	713-840-7007
Hai Nam 1 Jewelry and Watch Repair, Inc. & Pham, Lisa and Nguyen, Minh P.	North East Mall 1101 Melbourne Road, #5056 Hurst, Texas 76053	817-589-1777
De Nobrega, Aubrey, Shrimati K. i & De Nobrega, Andy De Nobrega, Inc.	Irving Mall 3700 Irving Mall, #E-1A Irving, Texas 75062	972-258-8801
Pham, Cuong and Whitteker, Kim & A & T Jeweler, Inc.	Town East Mall 1178 Town East Mall Mesquite, Texas 75052	972-279-5444
UTAH		
Luu, Tony & Jenny & Jaden Luu, Inc.	The Shops at South Town 10450 S. State Street, #1204 Sandy, Utah 84070	801-523-0500
VIRGINIA		
Mirpuri, Baiju (Benny) & Ujwalla B. & Mirpuri Enterprises, Inc.	Fashion Centre @ Pentagon City 1100 S. Hayes Street, #M140 Arlington, Virginia 22202	703-414-2626
Pao, Tim & Julie & Rockwell, Inc.	Short Pump Towne Center 1800 West Broad Street, #1244 Henrico, Virginia 23233	804-592-5424
Kim, Myong J. (Joshua) and Inja & Halal Services Incorporated	Tysons Corner Center 7951 Tyson's Corner Center McLean, Virginia 22102	571-633-0766
Jara, Xavier Rodrigo and Lorena Carmen & Jara Trading, LLC	Manassas Mall 8300 Sudley Road, #K5 Manassas, VA 20109	571-361-8825
WASHINGTON		
Huynh, Tu and Quach, Nhi & Tu Vi Watch and Jewelry Repair LLC	Westfield Southcenter 1129 Southcenter Mall, #1415 Tukwila, Washington 98188	206-439-3999

FRANCHISEE(S) WITH FRANCHISE AGREEMENT(S) SIGNED BUT OUTLET(S) NOT OPEN AS OF DECEMBER 31, 2022

None

COMPANY-OWNED LOCATIONS AS OF DECEMBER 31, 2022

COMPANY-OWNED-LOCATION	ADDRESS	TELEPHONE
ARIZONA		
Park Place Mall	5870 E. Broadway Blvd., #503, Tucson, Arizona 85705	520-514-9292
Tucson Mall	4500 Oracle Road, #419, Tucson, Arizona 85705	520-696-0403
FLORIDA		
University Town Center	140 University Town Center Drive, Sarasota, FL 34243	941-893-1078
NEW YORK		
Eastview Mall	708 Eastview Mall, Victory, NY 14564	800-359-0407
The Mall at Greece Ridge	400 Greece Ridge Center Drive, Rochester, NY 14626	800-359-0407
SOUTH CAROLINA		
Northwoods Mall	2150 Northwoods Boulevard, #F34, North Charleston, SC 29406	813-281-1077
TEXAS		
Hulen Mall	4800 South Hulen Street, Space 2080, Fort Worth, TX 76132	817-294-4041

EXHIBIT E

FRANCHISEES WHO LEFT THE SYSTEM
(In 2022)

TRANSFERRED

Alaska
Williams, Martin
Anchorage, Alaska 99501
907-242-0177

Maryland
Perekalsky, Boris
BNB, Inc.
Annapolis, Maryland 21401
443-739-0837

Pennsylvania
Pokrifka, Kenneth J.
Pittsburgh, Pennsylvania 15237
724-869-3411

Texas
Shaw, Michael and Vicki
Amity Concerns, Inc.
Frisco, Texas 75034
214-505-9920

OTHERWISE CEASED TO DO BUSINESS

Georgia
Oscar Patricio and Griselda (Huesos Limited Company, Inc.)
Duluth, Georgia 30096
678-966-9490

NO COMMUNICATION WITHIN 10 WEEKS

None

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

EXHIBIT F

FINANCIAL STATEMENTS

Jewelry Repair Enterprises, Inc.

Report on Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

Jewelry Repair Enterprises, Inc.
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elliott davis

Independent Auditor's Report

The Directors and Stockholders
Jewelry Repair Enterprises, Inc.
Boca Raton, Florida

Opinion

We have audited the consolidated financial statements of Jewelry Repair Enterprises, Inc. (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, as of January 1, 2022, the Company adopted new accounting guidance Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). Our conclusion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Elliott Davis, LLC

Greenville, South Carolina
April 28, 2023

Jewelry Repair Enterprises, Inc.

Consolidated Balance Sheets

As of December 31, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 1,102,616	$ 1,258,975
Accounts receivable	481,149	460,288
Franchise notes receivable, current portion	22,443	88,912
Advances receivable, current portion	169,189	119,977
Inventory	637,792	347,270
Income taxes receivable	-	68,313
Employee retention credit receivable	-	176,041
Prepaid expenses and other current assets	85,450	40,156
Total current assets	2,498,639	2,559,932
Property and equipment, net	193,314	218,131
Other assets		
Franchise notes receivable, net of current portion	2,778	3,861
Advances receivable, net of current portion	114,730	118,033
Deferred income taxes, net	354,567	333,576
Goodwill, net	3,214,993	3,832,273
Trade name	35,000	35,000
Deposits	44,133	15,000
Right-of-use assets - operating leases	8,948,366	-
Total other assets	12,714,567	4,337,743
Total assets	$ 15,406,520	$ 7,115,806
Liabilities and Stockholder's Deficit		
Current liabilities		
Accounts payable	$ 166,284	$ 209,071
Accrued expenses	881,514	1,108,633
Accrued interest	77,215	47,420
Deferred revenue, current portion	194,992	227,569
Income taxes payable	121,615	-
Long-term debt, current portion	834,876	6,115,106
Current portion of operating lease obligations	3,884,583	-
Total current liabilities	6,161,079	7,707,799
Long-term liabilities		
Paycheck Protection Program (PPP) loan	-	259,656
Long-term debt, net of current portion and debt issuance costs	4,115,113	-
Deferred revenue, net of current portion	582,466	747,979
Other long-term liabilities	20,000	36,572
Noncurrent portion of operating lease obligations	5,151,863	-
Total long-term liabilities	9,869,442	1,044,207
Total liabilities	16,030,521	8,752,006
Stockholder's deficit		
Common stock - par $0.0001; 1,000,000 shares authorized and issued, and 978,771 and 978,781 shares outstanding, respectively	100	100
Additional paid-in capital	906,230	906,230
Accumulated deficit	(1,530,331)	(2,542,530)
Total stockholder's deficit	(624,001)	(1,636,200)
Total liabilities and stockholder's deficit	$ 15,406,520	$ 7,115,806

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.

Consolidated Statements of Operations

For the years ended December 31, 2022 and 2021

	2022	2021
Revenues		
Royalty fees	$ 3,552,578	$ 3,517,831
Franchise fees	235,423	495,368
Company-owned retail sales	3,113,768	3,005,339
Rebate and other revenues	93,422	111,582
Total revenues	6,995,191	7,130,120
Operating expenses		
Merchandise costs	334,003	393,003
Salaries, wages and benefits	1,936,396	2,004,714
Advertising and promotion	274,489	107,302
Rent and facilities	1,000,541	1,734,248
Legal and professional fees	392,452	572,156
Office and administrative	633,088	736,775
Depreciation and amortization	716,819	677,765
Total operating expenses	5,287,788	6,225,963
Income from operations	1,707,403	904,157
Other income (expenses)		
Interest expense	(608,093)	(578,648)
Management fees	(176,687)	(148,176)
Loss on disposal of property and equipment	-	(6,875)
Employee Retention Credit (ERC) income	200,021	162,244
Paycheck Protection Program (PPP) income	259,656	263,700
Other income	127,240	1,491
Total other expenses	(197,863)	(306,264)
Income before income tax expense	1,509,540	597,893
Income tax expense	(497,341)	(175,978)
Net income	$ 1,012,199	$ 421,915

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.

Consolidated Statements of Changes in Stockholder's Deficit

For the years ended December 31, 2022 and 2021

	Common Stock		Additional	Accumulated	Stockholder's
	Shares	Amount	Paid-In Capital	Deficit	Deficit
Balance, January 1, 2021	978,781	$ 100	$ 906,230	$ (2,964,445)	$ (2,058,115)
Net income	-	-	-	421,915	421,915
Balance, December 31, 2021	978,781	100	906,230	(2,542,530)	(1,636,200)
Net income	-	-	-	1,012,199	1,012,199
Balance, December 31, 2022	978,781	$ 100	$ 906,230	$ (1,530,331)	$ (624,001)

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021

	2022	2021
Operating activities		
Net income	$ 1,012,199	$ 421,915
Adjustments to reconcile net loss to		
net cash provided by operating activities:		
Depreciation and amortization	716,819	680,765
Loss on disposal of property and equipment	-	6,875
Non-cash operating lease, net	88,080	-
Deferred income taxes	(20,991)	169,254
Payment-in-Kind (PIK) interest	9,070	-
Paycheck Protection Program (PPP) income	(259,656)	(263,700)
Changes in operating assets and liabilities:		
Accounts receivable	(20,861)	(83,806)
Franchise notes receivable	67,552	168,005
Inventory	(290,522)	(140,446)
Prepaid expenses and other current assets	(45,294)	3,180
Deposits	(29,133)	-
Accounts payable	(42,787)	(197,926)
Accrued expenses and other liabilities	(213,896)	557,683
Income tax receivable /payable, net	189,928	339,280
Employee Retention Credit (ERC) receivable	176,041	(54,109)
Deferred revenue	(198,090)	(455,584)
Net cash provided by operating activities	1,138,459	1,151,386
Investing activities		
Issuance of advances receivable	46,000	(94,738)
Repayments of advances receivable	(91,909)	58,364
Purchases of property and equipment	(56,158)	(98,182)
Net cash used for investing activities	(102,067)	(134,556)
Financing activities		
Proceeds from Paycheck Protection Program (PPP) loan	-	259,656
Proceeds from long-term debt	5,300,000	-
Principal payments on long-term debt	(6,262,327)	(300,000)
Payments for debt issuance costs	(230,424)	-
Repurchase of common stock	-	-
Net cash used for financing activities	(1,192,751)	(40,344)
Net change in cash and cash equivalents	(156,359)	976,486
Cash and cash equivalents, beginning of year	1,258,975	282,489
Cash and cash equivalents, end of year	$ 1,102,616	$ 1,258,975
Supplemental cash flow information		
Cash paid for interest	$ 550,664	$ 577,973
Cash paid (refunded) for income taxes	$ (307,413)	$ 163,302

See Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies and Activities

Business activity:

DK-JRE, LLC, a Florida limited liability company, was formed to acquire all of the issued and outstanding common stock of JRE Holdings, Inc., a Florida Corporation, and its wholly owned subsidiaries, Jewelry Repair Enterprises, Inc., JRE Franchising, Inc. and JRE Enterprises, Inc. The acquisition took place pursuant to a stock purchase agreement effective March 14, 2018.

Jewelry Repair Enterprises, Inc. and its wholly owned subsidiaries, are collectively referred to as the "Company". JRE Holdings, Inc. serves as the parent company to Jewelry Repair Enterprises, Inc. and has no operational activity. As such, the accompanying financial statements are reported at the Jewelry Repair Enterprises, Inc. level.

The Company is engaged in the business of selling jewelry repair franchises in the United States and Canada and operating Company-owned retail stores.

Basis of presentation:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) has established the Accounting Standards Codification as the sole source of authoritative GAAP.

Principles of consolidation:

The financial statements include the accounts of Jewelry Repair Enterprises, Inc. and its wholly owned subsidiaries, JRE Franchising, Inc. and JRE Enterprises, Inc. All significant intra-entity balances and transactions have been eliminated.

Reclassifications:

Certain prior year amounts have been reclassified, where necessary, to conform to the current year presentation.

Cash and cash equivalents:

The Company places its cash with high quality financial institutions. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At times, cash may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. The Company has not experienced losses in cash and cash equivalents and does not believe it is exposed to any significant risk on its cash and cash equivalents.

Revenue recognition:

The Company generates revenue from four sources: (i) royalty fees based on a percentage of sales reported by each franchise operation; (ii) franchise fees related to the sale of franchises, in accordance with its franchise agreement; (iii) franchise store sales at Company-owned retail stores; and (iv) rebate and other income associated with franchise store merchandise purchases.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Revenue recognition, continued:

In accordance with Accounting Standards Update No. 2014-09 (ASU 2014-09), *Revenue from Contracts with Customers (Topic 606 or ASC 606)*, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. In determining the amount of revenue to be recognized, the Company performs the following steps: (i) identification of the contract with a customer; (ii) identification of the promised services in the contract and determination of whether the promised services are performance obligations, including whether they are distinct in the context of the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company's franchise agreements include (a) the right to use symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising fund contributions, and development and delivery of training materials. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities).

Royalty fee revenue represents amounts paid by the franchisees for use of the name "Fast-Fix Jewelry and Watch Repairs" and for other services to be provided by the Company in accordance with the franchise agreement. Royalties are paid by the franchisee based upon a set percentage (as defined in the franchise agreement) of the franchisee's annual revenues that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration but, because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchised sales occur. The royalty fees are recognized at a point in time, typically monthly, based on reported store sales. Advertising contributions received from franchisees are recorded as a component of rebate revenue and are offset by an equal corresponding expense in the accompanying consolidated statements of operations.

Franchise fees primarily include initial fees to operate a franchise store for the 10 year term of the franchise agreement, renewal fees to extend the original franchise agreement and transfer fees in the event the franchisee wishes to sell or transfer the franchise to another party. Initial, renewal and transfer franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Franchise fees commence recognition into revenue and payment is due (a) for initial franchise fees at the earlier of (i) commencement of operations or (ii) the point at which the Company has substantially performed all of its obligations, including those services rendered voluntarily, associated with the fee or (b) upon the effective date of franchise renewals or transfers, as there is no continuing service obligation associated with the fee. Any franchise fees collected prior to the recognition of revenue are reflected as deferred revenue on the accompanying consolidated balance sheets.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Revenue recognition, continued:

Franchise store sales represent retail sales made at Company-owned stores and are recognized at a point in time based on reported store sales. The Company's principal terms of sale are payment upon completion of the service or sale of the goods. Rebate and other revenues represent rebates earned from vendors based on volume-based purchase incentives and are recognized at a point in time.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Franchise notes and advances receivable:

Franchise notes consists of amounts due to the Company for the purchase or renewal of individual franchises (16 and 18 franchisees at December 31, 2022 and 2021, respectively). Late fees may be charged when the outstanding balance due is owed for more than 30 days.

Advances receivable are loans to existing franchisees. Advances receivable bear interest at rates up to 8 percent and are generally paid over terms varying from one to six years.

Management regularly reviews amounts outstanding and past due to determine if additional collection actions are necessary, which may include legal collection proceedings. Once a receivable is turned over to legal counsel for collection, interest may be accrued on the outstanding balance at a rate not to exceed what is provided for under Florida law, and delinquent notes and advances receivable may accrue interest on the outstanding balance at a rate provided for in the underlying promissory note and franchise agreements. There were no delinquent franchise notes and advances receivable outstanding in excess of 90 days as of December 31, 2022 and 2021.

Allowance for doubtful accounts:

The Company uses the allowance method of recognizing bad debt expense by specifically identifying those franchise notes, advances receivable, and accounts receivable which are doubtful for collection. In certain cases, the Company will extend credit to a franchise based upon the particular facts and circumstances. The decision of reserving a receivable as uncollectible is made by management and is determined by considering the status of the franchise including the franchisee's financial position, the potential resale value of the franchise, and the opinion of the Company's legal counsel. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge against an allowance for doubtful accounts. As of December 31, 2022 and 2021, the Company has recorded no allowance for doubtful accounts as management believes all accounts receivable and franchise notes and advances receivable are collectible.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Deferred revenue:

Deferred revenue consist of amounts collected from franchisees for certain fees for which the related revenue has not been earned or for cash held on behalf of the franchisee for goods or services to be performed by third-parties for which the Company acts as an intermediary. Deferred revenue will be recognized to franchise fees within the consolidated statements of operations over the term of the franchise agreement.

Inventory:

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out (FIFO) basis, with cost determined by the specific identification method. Net realizable value represents the estimated selling price for inventories less all estimated costs to sell. Inventories primarily consist of merchandise held for resale at Company-owned retail stores.

Coronavirus Aid, Relief, and Economic Security ("CARES") Act:

The Company elected an accounting policy to analogize International Accounting Standards 20, Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20") and accounted for the Paycheck Protection Program (PPP) and Employee Retention Credit (ERC) as a government grant. Under such guidance, once there is reasonable assurance that the conditions attached to the assistance will be met and will be received, the earnings impact of government grants is recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Property and equipment are depreciated when placed into service using the straight-line method over the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the shorter of the estimated useful lives or the period of the respective leases. Furniture and equipment have useful lives ranging from 3 to 7 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Impairment of long-lived assets:

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management believes there are no impairment issues with long-lived assets as of December 31, 2022 and 2021.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Goodwill:

Goodwill arising from business combinations represents the excess of the purchase price over the fair value of the net assets acquired and is amortized on a straight-line basis over a period of ten years.

The carrying value of goodwill is reviewed when circumstances and events indicate that the asset might be impaired and the undiscounted cash flows estimated to be generated by the Company is less than the carrying value of these assets. If the estimated fair value is less than the carrying value, then impairment is deemed to have occurred. Management does not believe there are any impairment issues with goodwill as of December 31, 2022 and 2021.

Goodwill at December 31, 2020	$ 4,449,553
Amortization of goodwill	(617,280)
Goodwill at December 31, 2021	3,832,273
Amortization of goodwill	(617,280)
Goodwill at December 31, 2022	$ 3,214,993

Goodwill amortization expense is estimated to be approximately $617,300 during each of the years 2023 through 2027 and $128,493 in 2028.

Leases, right-of-use assets and related liabilities:

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which changed the criteria for recognizing leasing transactions. Under the ASU, a lessee will be required to recognize a lease liability and right-of-use lease asset for all leases with a lease term greater than 12 months, including operating leases, in the consolidated balances sheets. Subsequent measurement, including presentation of expenses and cash flows, will depend on the classification of the lease as either a financing or operating lease. In addition, expanded disclosures will be required. The Company adopted the ASU effective January 1, 2022 and accordingly, right-of-use assets and lease liabilities for leases have been recognized on the consolidated balance sheets.

The Company elected the package of practical expedients available for transition which allow the Company not to reassess:

- Whether expired or existing contracts contain leases under the new definition of a lease;
- Lease classification for expired or existing leases; and
- Whether previously capitalized initial direct costs would qualify for capitalization under ASC 842.

The Company did not elect to use hindsight for transition when considering judgements and estimates such as assessments of lessee options to extend or terminate a lease or purchase the underlying asset. The Company did not elect to reassess whether land easements meet the definition of a lease if they were not accounted for as leases under the former rules. For all asset classes, the Company elected to not recognize a right-of-use asset and lease liability for leases with a term of twelve months or less. For all asset classes, the Company elected to not separate non-lease components from lease components to which they related and have accounted for the combined lease and non-lease components as a single lease component.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Income taxes:

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority.

The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits, if any, are classified as additional income taxes in the consolidated statements of operations. Management is not aware of any material uncertain tax positions as of December 31, 2022 and 2021.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable for the period and the change during the period in deferred tax assets and liabilities.

Debt issuance costs:

Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the related debt. Unamortized amounts incurred in connection with the issuance of long-term debt are recorded as a reduction to the carrying amount of the related debt.

At December 31, 2022 and 2021, debt issuance costs totaled $230,424 and $15,000 less accumulated amortization of $18,564 and $11,375, respectively. Amortization expense was $3,000 for each of the years ended December 31, 2022 and 2021. Amortization expense is estimated to be approximately $76,808 in 2023 and 2024 and $58,244 in 2025.

Advertising:

Advertising costs are expensed as incurred. Advertising costs were approximately $274,500 and $107,300 and for the years ended December 31, 2022, and 2021, respectively.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Other expenses:

The Company classifies expenses that are infrequent, unusual in nature, or unrelated to the operations of the Company as other expenses in the accompanying consolidated statements of operations. Other expenses are comprised primarily of interest, management fees, and income from Employee Retention Credit (ERC) and Paycheck Protection Program (PPP).

Use of estimates:

The preparation of financial statements in conformity with GAAP 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 these estimates and assumptions.

Fair value of assets and liabilities:

The carrying values of all the Company's financial instruments approximate their fair values. The Company applies the guidance related to fair value for certain non-financial assets and liabilities. The non-financial assets and liabilities include items such as long-lived assets and goodwill.

Recently issued accounting pronouncements:

Accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Subsequent events:

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 28, 2023, the date the financial statements were available for issuance.

Note 2. Revenues

Revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31, 2022 and 2021, and is summarized as follows:

	2022	2021
Performance obligations satisfied at a point in time	$ 6,759,768	$ 6,634,752
Performance obligations satisfied over time	235,423	495,368
	$ 6,995,191	$ 7,130,120

Revenue from performance obligations satisfied at a point in time consists of royalty fees, rebate income, and Company-owned retail sales. Revenue from performance obligations satisfied over time consists of franchise fees. All services are provided to franchisees and retail customers.

Note 2. Revenues, Continued

Upfront fees paid for site selection, basic training, franchisee specifications and construction plans, branding, and continued support from franchisor are not material in nature and expensed as incurred.

Revenue for franchise fees are recognized on a straight-line basis over the term of the respective agreement. The timing of revenue recognition, billings and cash collections results in billed accounts receivable and franchise notes (contract assets), and deferred revenue (contract liabilities) on the consolidated balance sheets are as follows as of December 31:

	2022	2021	2020
Contract Assets:			
Royalty receivables	$ 426,561	$ 404,850	$ 313,871
Franchise notes receivables	25,221	92,773	260,788
	$ 451,782	$ 497,623	$ 574,659
Contract liabilities:			
Deferred revenue	$ 777,458	$ 975,548	$ 1,431,132
	$ 777,458	$ 975,548	$ 1,431,132

The Company records accounts receivable or franchise notes (contract asset) when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. The Company does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset.

Note 3. Accounts Receivable

Accounts receivable consists of the following at December 31:

	2022	2021
Royalties receivable	$ 426,561	$ 404,850
Trade receivables	54,588	55,438
	$ 481,149	$ 460,288

Note 4. Franchising Program

Franchise notes and advances receivable consists of the following at December 31:

	2022	2021
Franchise notes receivable	$ 25,221	$ 92,773
Advances receivable	283,919	238,010
	309,140	330,783
Less current portion	(191,632)	(208,889)
	$ 117,508	$ 121,894

Note 4. Franchising Program, Continued

Scheduled repayments of franchise notes and advances as of December 31, 2022, are as follows for the years ending December 31:

2023	$ 191,632
2024	80,367
2025	6,000
2026	31,140
	$ 309,140

Note 5. Property and Equipment

Property and equipment consists of the following at December 31:

	2022	2021
Furniture and equipment	$ 349,231	$ 329,708
Leasehold improvements	52,626	32,834
	401,857	362,542
Less accumulated depreciation	(208,543)	(144,411)
	$ 193,314	$ 218,131

Depreciation expense was approximately $62,800 and $60,500 for the years ended December 31, 2022, and 2021.

Note 6. Long-Term Debt

Long-term debt consists of the following at December 31:

	2022	2021
Senior term loan	$ 5,161,849	$ 6,118,731
Less unamortized debt issuance cost	(211,860)	(3,625)
Less current portion	(834,876)	(6,115,106)
	$ 4,115,113	$ -

In November 2016, the Company entered into a $7,550,000 senior term loan with a financial institution. In March 2018, the Company amended the senior term loan to increase the principal amount by $750,000, to fund a portion of the acquisition and to adjust the quarterly principal payments to $82,420 until maturity. In August 2020, the Company amended the senior note to decrease the interest rate and suspend principal payments until July 2021 when principal payments of $150,000 were due at the beginning of each quarter until September 2022, when a balloon payment of the balance is due and payable in full. Beginning in September 2020, the senior note agreement was amended so that amounts outstanding bear interest fixed rate of 9 percent with no PIK interest.

Note 6. Long-Term Debt, Continued

In September 2022, the Company paid the senior term loan in full and entered a $5,300,000 loan with a new financial institution. The loan bears interest at Prime Rate plus, 9 percent, plus 1 percent payment-in-kind (PIK) interest that is compounded and added to the principal balance (16 percent at December 31, 2022). Monthly principal payments of approximately $69,000 are due with a balloon payment of the balance due upon maturity. The note matures October 1, 2025. The Company is subject to certain financial and non-financial covenants associated with the agreement. Management believe the Company was in compliance with all covenants for the year ending December 31, 2022.

Scheduled principal payments on long-term debt as of December 31, 2022, are as follows for the years ending December 31:

2023	$ 834,876
2024	843,263
2025	3,483,710
	$ 5,161,849

Note 7. Coronavirus Aid, Relief, and Economic Security ("CARES") Act

Paycheck Protection Program (PPP):

In February 2021, the Company executed a term note with a financial institution which provided an unsecured loan in the amount of $263,700, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The promissory note contains events of default and other provisions customary for a loan of this type. The PPP provides that this loan may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act, and later amended by the Paycheck Protection Program Flexibility Act (the "Flexibility Act") signed into law in June 2020. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. In July 2021, the Company received notification from the Small Business Administration (SBA) that the Company's PPP loan had been fully forgiven. Accordingly, the Company recognized $263,700 of PPP income within other income (expenses) for the year ended December 31, 2021.

In March 2021, the Company entered into a loan with a financial institution in a principal amount of $259,656 pursuant to the Paycheck Protection Program ("PPP Second Draw Loan") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Second Draw Loan is unsecured and guaranteed by the United States Small Business Administration. The Company may apply to the financial institution for forgiveness of the PPP Loan, with the amount which may be forgiven equal to the sum of payroll costs, covered rent, and mortgage obligations, covered utility payments, worker protection costs related to COVID-19, and certain supplier costs and expenses for operations incurred by the Company during the covered period, calculated in accordance with the terms of the CARES Act. In October, 2022, the Company received notification from the Small Business Administration (SBA) that the Company's PPP loan had been fully forgiven. Accordingly, the Company recognized $259,656 of PPP income within other income (expenses) for the year ended December 31, 2022.

Note 7. Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Continued

Employee Retention Credit (ERC):

The Employee Retention Credit (ERC) program was created under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and was significantly modified, expanded and extended into the first three quarters of calendar year 2021 by the Consolidated Appropriation Act, 2021 (the "Act"). The goal of the ERC program is to encourage employers to retain and continue paying employees during periods of pandemic-related reduction in business volume even if those employees are not actually working, and therefore, are not providing a service to the employer. Under the Act, eligible employers could take credits up to 70% of qualified wages with a limit of $7,000 per employee per quarter for the first three quarters of calendar year 2021. In order to qualify for the ERC, organizations generally have to experience at least a 20% decrease in gross receipts in the quarter compared to the same quarter in calendar year 2019.

The Company applied for the ERC totaling approximately $482,000 which included approximately $121,000 for quarters two, three and four of calendar year 2020 and approximately $163,000 for quarter one of 2021 and $198,000 for quarter two of 2021. During 2021, the Company received approximately $108,000 of the first quarter 2021 from the Internal Revenue Service. The remainder of approximately $176,000 was recognized as a receivable on the accompanying 2021 balance sheet. During 2022, the Company received $375,000 in ERC income for quarters two, three and four of 2020 as well as quarter one and two of 2021. Approximately $200,000 was recognized in other income (expenses) for the year ended December 31, 2022. The Company has accounted for the ERC income as a government grant which analogizes with International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance. IAS 20 indicates that income is recognized when it is considered that there is reasonable assurance the grant will be received and all necessary qualifying conditions, as stated in the CARES act, are met. Under IAS 20, income is recognized on a systematic basis over the period in which the entity recognizes as expenses the related costs for which the grant is intended to compensate. The Company elected to account for the use of the ERC on a gross basis and the income is included in other income within the statement of operations. The activity related to ERC income is included in the operating activities of the statements of cash flow.

Note 8. Income Taxes

The components of the income tax benefit (expense) are as follows for the years ended December 31:

	2022	2021
Current expense	$ (518,332)	$ (6,724)
Deferred benefit (expense)	20,991	(169,254)
	$ (497,341)	$ (175,978)

Note 8. Income Taxes, Continued

The types of temporary differences and their related tax effects that give rise to the deferred tax assets and deferred tax liabilities are as follows as of December 31:

	2022	2021
Deferred tax assets:		
Goodwill	$ 32,382	$ 41,873
Accrued bonuses	21,527	26,212
Federal and state NOL Carry Forward	1,461	35,429
Leases	22,573	-
Deferred revenue	199,246	274,989
	393,229	378,503
Deferred tax liabilities:		
Property and equipment	(38,660)	(44,927)
Net deferred tax asset	$ 354,567	$ 333,576

If, based on the weight of available evidence, it is more likely than not that all deferred tax assets will not be realized, a valuation allowance must be recorded. No valuation allowance was considered necessary as of December 31, 2022 and 2021.

The Company's actual income tax provision reflect differences from the expected amount primarily due to state income taxes, net operating loss carrybacks, and goodwill amortization that is deemed non-deductible for tax reporting purposes.

Note 9. Related-Party Transactions

The Company has a management services agreement with the majority member of the Company. The member serves as an advisor and provides management services to the Company. Management fees were approximately $177,000 and $148,000 for the years ended December 31, 2022 and 2021, respectively. There were approximately $385,700 and $254,000 of unpaid management fees as of December 31, 2022 and 2021, respectively.

Note 10. Commitments and Contingencies

Operating leases:

The Company leases retail space in shopping centers for many corporate stores as well as on behalf of certain franchisees, under non-cancelable operating leases. The leases expire at various dates through 2030 and the weighted average remaining lease term for operating leases as of December 31, 2022 was 2.6 years. Certain of the lease agreements contain renewal options. For those leases, the Company included these renewal periods in the lease term if the Company determined it was reasonably certain to exercise the renewal option. Lease payments during such renewal periods were also considered in the calculation of right-of-use assets and lease obligations. Fixed lease payments consist of base rent and operating expenses but do not include contingent rentals which may be required under certain leases based on sales in excess of stipulated minimums. Fixed lease expense under these agreements totaled approximately $1,000,541 for the year ended December 31, 2022 respectively.

Note 10. Commitments and Contingencies, Continued

Operating leases, continued:

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. Lease obligations are recognized at the commencement date based on the present value of lease payments over the lease term. Right-of-use assets are recognized at the commencement date as the initial measurement of the lease liability, plus payments made prior to lease commencement and any initial direct costs. As the Company's leases do not provide an implicit rate, the Company uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The weighted average discount rate for operating leases at December 31, 2022 was 13.5%.

Future minimum lease payments under the operating leases as of December 31, 2022 are as follows:

2023	$ 4,754,686
2024	3,259,971
2025	1,686,606
2026	731,075
2027	115,467
Thereafter	188,058
Total Lease Payment	10,735,863
Less: imputed interest (13.5%)	(1,699,416)
Present value of future minimum lease payments	9,036,447
Less: current portion	(3,884,584)
	$ 5,151,863

Future minimum lease payments under the non-cancelable operating leases as of December 31, 2021 are as follows prior to the adoption of ASC 842 *Leases*:

2022	$ 601,341
2023	346,419
2024	175,714
2025	116,442
2026	29,821
	$ 1,269,737

Future minimum lease payments under the non-cancelable operating leases guaranteed by the Company as of December 31, 2021, prior to the adoption of *ASC 842 Leases* were as follows:

2022	$ 4,091,421
2023	3,140,550
2024	2,158,413
2025	1,172,651
2026	433,466
Thereafter	52,064
	$ 11,048,565

Note 10. Commitments and Contingencies, Continued

Legal matters:

From time to time, the Company is party to certain legal matters, including those related to contracts and franchise agreements that arise in the ordinary course of business. The estimated cost that the Company expects to pay in relationship to these matters is accrued when the liability is considered probable and the amounts can be reasonably estimated. In management's opinion, any such outstanding matters of which the Company has knowledge have been reflected in the financial statements or would not have a material adverse effect on the Company's financial position and results of operations.

Jewelry Repair Enterprises, Inc.

Report on Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

Jewelry Repair Enterprises, Inc.

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elliott davis

Independent Auditor's Report

The Directors and Stockholders
Jewelry Repair Enterprises, Inc.
Boca Raton, Florida

Opinion

We have audited the consolidated financial statements of Jewelry Repair Enterprises, Inc., which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

355 South Main Street
Suite 500
Greenville, SC 29601
864.242.3370

elliottdavis.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Elliott Davis, LLC

Greenville, South Carolina
April 19, 2022

Jewelry Repair Enterprises, Inc.

Consolidated Balance Sheets

As of December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 1,258,975	$ 282,489
Accounts receivable	460,288	376,482
Franchise notes receivable, current portion	88,912	184,655
Advances receivable, current portion	119,977	77,906
Inventory	347,270	206,824
Income taxes receivable	68,313	407,593
Employee retention credit receivable	176,041	121,932
Prepaid expenses and other current assets	40,156	43,337
Total current assets	2,559,932	1,701,218
Property and equipment, net	218,131	187,308
Other assets		
Franchise notes receivable, net of current portion	3,861	76,123
Advances receivable, net of current portion	118,033	123,730
Deferred income taxes, net	333,576	502,830
Goodwill, net	3,832,273	4,449,553
Trade name	35,000	35,000
Deposits	15,000	15,000
Total other assets	4,337,743	5,202,236
Total assets	$ 7,115,806	$ 7,090,762
Liabilities and Stockholder's Deficit		
Current liabilities		
Accounts payable	$ 209,071	$ 406,997
Accrued expenses	1,108,633	548,625
Accrued interest	47,420	49,745
Deferred revenue, current portion	227,569	315,702
Long-term debt, current portion	6,115,106	300,000
Total current liabilities	7,707,799	1,621,069
Long-term liabilities		
Paycheck Protection Program (PPP) loan	259,656	263,700
Long-term debt, net of current portion and debt issuance costs	-	6,112,106
Deferred revenue, net of current portion	747,979	1,115,430
Other long-term liabilities	36,572	36,572
Total long-term liabilities	1,044,207	7,527,808
Total liabilities	8,752,006	9,148,877
Stockholder's deficit		
Common stock - par $0.0001; 1,000,000 shares authorized and issued, and 978,781 shares outstanding	100	100
Additional paid-in capital	906,230	906,230
Accumulated deficit	(2,542,530)	(2,964,445)
Total stockholder's deficit	(1,636,200)	(2,058,115)
Total liabilities and stockholder's deficit	$ 7,115,806	$ 7,090,762

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.

Consolidated Statements of Operations

For the years ended December 31, 2021 and 2020

	2021	2020
Revenues		
Royalty fees	$ 3,517,831	$ 2,362,306
Franchise fees	495,368	337,609
Company-owned retail sales	3,005,339	809,995
Rebate and other revenues	111,582	68,168
Total revenues	7,130,120	3,578,078
Operating expenses		
Merchandise costs	393,003	107,714
Salaries, wages and benefits	2,004,714	1,482,649
Advertising and promotion	107,302	82,556
Rent and facilities	1,734,248	846,460
Legal and professional fees	572,156	486,015
Office and administrative	736,775	540,541
Depreciation and amortization	677,765	637,047
Total operating expenses	6,225,963	4,182,982
Income (loss) from operations	904,157	(604,904)
Other income (expenses)		
Interest income	-	676
Interest expense	(578,648)	(949,525)
Management fees	(148,176)	(141,120)
Gain (loss) on disposal of property and equipment	(6,875)	-
Employee Retention Credit (ERC) income	162,244	121,932
Paycheck Protection Program (PPP) income	263,700	-
Other income	1,491	26,591
Total other expenses	(306,264)	(941,446)
Income (loss) before income tax benefit (expense)	597,893	(1,546,350)
Income tax benefit (expense)	(175,978)	297,598
Net income (loss)	$ 421,915	$ (1,248,752)

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.

Consolidated Statements of Changes in Stockholder's Deficit

For the years ended December 31, 2021 and 2020

	Common Stock		Additional	Accumulated	Stockholder's
	Shares	Amount	Paid-In Capital	(Deficit)	Equity (Deficit)
Balance, January 1, 2020	978,781	$ 100	$ 906,230	$ (1,715,693)	$ (809,363)
Net loss	-	-	-	(1,248,752)	(1,248,752)
Balance, December 31, 2020	978,781	100	906,230	(2,964,445)	(2,058,115)
Net income	-	-	-	421,915	421,915
Balance, December 31, 2021	978,781	$ 100	$ 906,230	$ (2,542,530)	$ (1,636,200)

See Notes to Consolidated Financial Statements

Jewelry Repair Enterprises, Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

	2021	2020
Operating activities		
Net income (loss)	$ 421,915	$ (1,248,752)
Adjustments to reconcile net loss to		
net cash provided by (used for) operating activities:		
Depreciation and amortization	680,765	640,047
(Gain) loss on disposal of property and equipment	6,874	-
Write-off of advances receivable	-	7,516
Deferred income taxes	169,254	39,473
Payment-in-Kind (PIK) interest	-	274,172
Paycheck Protection Program (PPP) income	(263,700)	-
Changes in operating assets and liabilities:		
Accounts receivable	(83,806)	108,576
Franchise notes receivable	168,005	(22,778)
Inventory	(140,446)	(81,002)
Prepaid expenses and other current assets	3,181	32,547
Accounts payable	(197,926)	329,872
Accrued expenses and other liabilities	557,683	192,440
Income tax receivable /payable	339,280	(332,311)
Employee Retention Credit (ERC) receivable	(54,109)	(121,932)
Deferred revenue	(455,584)	(259,592)
Net cash provided by (used for) operating activities	1,151,386	(441,724)
Investing activities		
Issuance of advances receivable	(94,738)	(26,767)
Repayments of advances receivable	58,364	28,670
Purchases of property and equipment	(98,182)	(85,590)
Net cash (used for) provided by investing activities	(134,556)	(83,687)
Financing activities		
Proceeds from Paycheck Protection Program (PPP) loan	259,656	263,700
Principal payments on long-term debt	(300,000)	(82,420)
Net cash provided by (used for) financing activities	(40,344)	181,280
Net change in cash and cash equivalents	976,486	(344,131)
Cash and cash equivalents, beginning of year	282,489	626,620
Cash and cash equivalents, end of year	$ 1,258,975	$ 282,489
Supplemental cash flow information		
Cash paid for interest	$ 577,973	$ 690,682
Cash paid (refunded) for income taxes	$ 163,302	$ (34,713)

See Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies and Activities

Business activity:

DK-JRE, LLC, a Florida limited liability company, was formed to acquire all of the issued and outstanding common stock of JRE Holdings, Inc., a Florida Corporation, and its wholly owned subsidiaries, Jewelry Repair Enterprises, Inc., JRE Franchising, Inc. and JRE Enterprises, Inc. The acquisition took place pursuant to a stock purchase agreement effective March 14, 2018.

Jewelry Repair Enterprises, Inc. and its wholly owned subsidiaries, are collectively referred to as the "Company". JRE Holdings, Inc. serves as the parent company to Jewelry Repair Enterprises, Inc. and has no operational activity. As such, the accompanying financial statements are reported at the Jewelry Repair Enterprises, Inc. level.

The Company is engaged in the business of selling jewelry repair franchises in the United States and Canada and operating Company-owned retail stores.

Basis of presentation:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) has established the Accounting Standards Codification as the sole source of authoritative GAAP.

Principles of consolidation:

The financial statements include the accounts of Jewelry Repair Enterprises, Inc. and its wholly owned subsidiaries, JRE Franchising, Inc. and JRE Enterprises, Inc. All significant intra-entity balances and transactions have been eliminated.

Reclassifications:

Certain prior year amounts have been reclassified, where necessary, to conform to the current year presentation.

Cash and cash equivalents:

The Company places its cash with high quality financial institutions. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At times, cash may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limits. The Company has not experienced losses in cash and cash equivalents and does not believe it is exposed to any significant risk on its cash and cash equivalents.

Revenue recognition:

The Company generates revenue from four sources: (i) royalty fees based on a percentage of sales reported by each franchise operation; (ii) franchise fees related to the sale of franchises, in accordance with its franchise agreement; (iii) franchise store sales at Company-owned retail stores; and (iv) rebate and other income associated with franchise store merchandise purchases.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Revenue recognition, continued:

In accordance with Accounting Standards Update No. 2014-09 (ASU 2014-09), *Revenue from Contracts with Customers (Topic 606 or ASC 606)*, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. In determining the amount of revenue to be recognized, the Company performs the following steps: (i) identification of the contract with a customer; (ii) identification of the promised services in the contract and determination of whether the promised services are performance obligations, including whether they are distinct in the context of the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company's franchise agreements include (a) the right to use symbolic intellectual property over the term of each franchise agreement, (b) pre-opening services, such as training, and (c) ongoing services, such as management of the advertising fund contributions, and development and delivery of training materials. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day-to-day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities).

Royalty fee revenue represents amounts paid by the franchisees for use of the name "Fast-Fix Jewelry and Watch Repairs" and for other services to be provided by the Company in accordance with the franchise agreement. Royalties are paid by the franchisee based upon a set percentage (as defined in the franchise agreement) of the franchisee's annual revenues that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration but, because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchised sales occur. The royalty fees are recognized at a point in time, typically monthly, based on reported store sales. Advertising contributions received from franchisees are recorded as a component of rebate revenue and are offset by an equal corresponding expense in the accompanying consolidated statements of operations.

Franchise fees primarily include initial fees to operate a franchise store for the 10 year term of the franchise agreement, renewal fees to extend the original franchise agreement and transfer fees in the event the franchisee wishes to sell or transfer the franchise to another party. Initial, renewal and transfer franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement. Franchise fees commence recognition into revenue and payment is due (a) for initial franchise fees at the earlier of (i) commencement of operations or (ii) the point at which the Company has substantially performed all of its obligations, including those services rendered voluntarily, associated with the fee or (b) upon the effective date of franchise renewals or transfers, as there is no continuing service obligation associated with the fee. Any franchise fees collected prior to the recognition of revenue are reflected as deferred revenue on the accompanying consolidated balance sheets.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Revenue recognition, continued:

Franchise store sales represent retail sales made at Company-owned stores and are recognized at a point in time based on reported store sales. The Company's principal terms of sale are payment upon completion of the service or sale of the goods. Rebate and other revenues represents rebates earned from vendors based on volume-based purchase incentives and are recognized at a point in time.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Franchise notes and advances receivable:

Franchise notes consists of amounts due to the Company for the purchase or renewal of individual franchises (18 and 25 franchisees at December 31, 2021 and 2020, respectively). Late fees may be charged when the outstanding balance due is owed for more than 30 days.

Advances receivable are loans to existing franchisees. Advances receivable bear interest at rates up to 8 percent and are generally paid over terms varying from one to six years.

Management regularly reviews amounts outstanding and past due to determine if additional collection actions are necessary, which may include legal collection proceedings. Once a receivable is turned over to legal counsel for collection, interest may be accrued on the outstanding balance at a rate not to exceed what is provided for under Florida law, and delinquent notes and advances receivable may accrue interest on the outstanding balance at a rate provided for in the underlying promissory note and franchise agreements. In April 2020, the Company suspended all collections of franchise and advances receivable indefinitely until economic conditions improved. In November 2020, the Company notified all franchisees that collections of franchise notes and advances receivable would resume in January 2021. There were no delinquent franchise notes and advances receivable outstanding in excess of 90 days as of December 31, 2021 and 2020.

Allowance for doubtful accounts:

The Company uses the allowance method of recognizing bad debt expense by specifically identifying those franchise notes, advances receivable, and accounts receivable which are doubtful for collection. In certain cases, the Company will extend credit to a franchise based upon the particular facts and circumstances. The decision of reserving a receivable as uncollectible is made by management and is determined by considering the status of the franchise including the franchisee's financial position, the potential resale value of the franchise, and the opinion of the Company's legal counsel. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge against an allowance for doubtful accounts. As of December 31, 2021 and 2020, the Company has recorded no allowance for doubtful accounts as management believes all accounts receivable and franchise notes and advances receivable are collectible.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Deferred revenue:

Deferred revenue consist of amounts collected from franchisees for certain fees for which the related revenue has not been earned or for cash held on behalf of the franchisee for goods or services to be performed by third-parties for which the Company acts as an intermediary. Deferred revenue will be recognized to franchise fees within the consolidated statements of operations over the term of the franchise agreement.

Inventory:

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out (FIFO) basis, with cost determined by the specific identification method. Net realizable value represents the estimated selling price for inventories less all estimated costs to sell. Inventories primarily consist of merchandise held for resale at Company-owned retail stores.

Coronavirus Aid, Relief, and Economic Security ("CARES") Act:

The Company elected an accounting policy to analogize International Accounting Standards 20, Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20") and accounted for the Paycheck Protection Program (PPP) and Employee Retention Credit (ERC) as a government grant. Under such guidance, once there is reasonable assurance that the conditions attached to the assistance will be met and will be received, the earnings impact of government grants is recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Property and equipment are depreciated when placed into service using the straight-line method over the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the shorter of the estimated useful lives or the period of the respective leases. Furniture and equipment have useful lives ranging from 3 to 7 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Impairment of long-lived assets:

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management believes there are no impairment issues with long-lived assets as of December 31, 2021 and 2020.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Goodwill:

Goodwill arising from business combinations represents the excess of the purchase price over the fair value of the net assets acquired and is amortized on a straight-line basis over a period of ten years.

The carrying value of goodwill is reviewed when circumstances and events indicate that the asset might be impaired and the undiscounted cash flows estimated to be generated by the Company is less than the carrying value of these assets. If the estimated fair value is less than the carrying value, then impairment is deemed to have occurred. Management does not believe there are any impairment issues with goodwill as of December 31, 2021 and 2020.

Goodwill at January 1, 2020	$ 5,066,833
Amortization of goodwill	(617,280)
Goodwill at December 31, 2020	4,449,553
Amortization of goodwill	(617,280)
Goodwill at December 31, 2021	$ 3,832,273

Goodwill amortization expense is estimated to be approximately $617,300 during each of the years 2022 through 2025 and approximately $1,363,100 thereafter.

Intangible assets:

Intangible assets with an indefinite life consist of the Company's trade name. The Company believes that its trade name intangible asset will contribute to its cash flows for an indefinite period, therefore the carrying amount of the trade name is not amortized, but is tested for impairment annually, or more frequently upon the occurrence of certain events or when circumstances indicate that impairment may be present. Management does not believe any impairment of its trade name existed as of December 31, 2021 and 2020.

Income taxes:

The Company provides for income taxes under the asset and liability approach. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss carryforwards and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (loss) in the period that includes the enactment date. Deferred income tax benefit (expense) represents the change during the period in the deferred tax assets and deferred tax liabilities.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Income taxes, continued:

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority.

The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits, if any, are classified as additional income taxes in the consolidated statements of operations. Management is not aware of any material uncertain tax positions as of December 31, 2021 and 2020.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable for the period and the change during the period in deferred tax assets and liabilities.

Sublease default liabilities:

The Company is the guarantor on property leases at a majority of its franchise locations. The Company assesses the likelihood of making any payments based on lease defaults caused by subtenants and records estimated liabilities for anticipated payments when the Company believes that an obligation to provide recourse following default is probable and the amount can be reasonably estimated. Assessing the probability of future payments involves estimates and assumptions regarding future events, including the future operating results of the franchisees. If future events are different from those assumed or anticipated, the amounts estimated to be paid pursuant to such guarantees could change, and additional provisions to record such liabilities could be required. As of December 31, 2021 and 2020, the Company has recorded no sublease default liabilities.

Debt issuance costs:

Debt issuance costs incurred in connection with the issuance of long term debt are capitalized and amortized to interest expense using the straight-line method, which approximates the effective interest method, over the term of the related debt. Unamortized amounts incurred in connection with the issuance of long term debt are recorded as a reduction to the carrying amount of the related debt.

At December 31, 2021 and 2020, debt issuance costs totaled approximately $15,000 less accumulated amortization of approximately $11,375 and $8,375, respectively. Amortization expense was $3,000 for each of the years ended December 31, 2021 and 2020. Amortization expense is estimated to be approximately $3,000 in 2022 and $625 in 2023.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Advertising:

Advertising costs are expensed as incurred. Advertising costs were approximately $107,300 and $82,600 for the years ended December 31, 2021, and 2020, respectively.

Other expenses:

The Company classifies expenses that are infrequent, unusual in nature, or unrelated to the operations of the Company as other expenses in the accompanying consolidated statements of operations. Other expenses are comprised primarily of interest, management fees, and income from Employee Retention Credit (ERC) and Paycheck Protection Program (PPP).

Use of estimates:

The preparation of financial statements in conformity with GAAP 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 these estimates and assumptions.

Fair value of assets and liabilities:

The carrying values of all the Company's financial instruments approximate their fair values. The Company applies the guidance related to fair value for certain non-financial assets and liabilities. The non-financial assets and liabilities include items such as long-lived assets and goodwill.

Recently issued accounting pronouncements:

In February 2016, the FASB issued ASU 2016-02, *Leases (Subtopic 842)*. The ASU will require companies to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. In May 2020, in response to the global COVID-19 pandemic, the FASB voted to delay the effective date of this guidance to fiscal years beginning after December 15, 2021, and early adoption is permitted. Management is currently evaluating the impact of this standard on its financial position, results of operations, and cash flows.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Note 1. Summary of Significant Accounting Policies and Activities, Continued

Going concern considerations:

Management has evaluated the Company's ability to continue as a going concern in accordance with accounting principles generally accepted in the United States. Management reviewed the Company's cash flow projections, cash on hand, and future cash/financing requirements surrounding the senior term loan due in September 2022 (Note 6). Management believes the refinancing or extension of the maturity of the senior term loan is probable of being executed as the Company has successfully extended the maturity date in the past. Management's plan to refinance or extend the senior term loan combined with cash on hand and expected future cash flows, are considered to be sufficient to enable the Company to meet its obligations as they become due in the ordinary course of business for a period of twelve months following the date these financial statements are issued.

While Management plans to refinance or extend the maturity of the senior term loan and has begun discussions with lenders, there is no assurance that the senior term loan will be refinanced or extended in a timely manner under terms acceptable to the Company. Additionally, if one or more of factors surrounding refinancing, cash flows, and continued success in implementing the Company's business strategy do not occur as expected, it could have a material adverse effect on the operations of the Company.

Subsequent events:

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 19, 2022, the date the financial statements were available for issuance.

Note 2. Revenues

Revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31, 2021 and 2020, and is summarized as follows:

	2021	2020
Performance obligations satisfied at a point in time	$ 6,634,752	$ 3,240,469
Performance obligations satisfied over time	495,368	337,609
	$ 7,130,120	$ 3,578,078

Revenue from performance obligations satisfied at a point in time consists of royalty fees, rebate income, and Company-owned retail sales. Revenue from performance obligations satisfied over time consists of franchise fees. All services are provided to franchisees and retail customers.

Upfront fees paid for site selection, basic training, franchisee specifications and construction plans, branding, and continued support from franchisor are not material in nature and expensed as incurred.

Note 2. Revenues, Continued

Revenue for franchise fees are recognized on a straight-line basis over the term of the respective agreement. The timing of revenue recognition, billings and cash collections results in billed accounts receivable and franchise notes (contract assets), and deferred revenue (contract liabilities) on the consolidated balance sheets are as follows:

	December 31, 2021	December 31, 2020	December 31, 2019
Contract Assets:			
Royalty receivables	$ 404,850	$ 313,871	$ 435,425
Franchise notes receivables	92,773	260,788	238,000
	$ 497,623	$ 574,659	$ 673,425
Contract liabilities:			
Deferred revenue	$ 975,548	$ 1,431,132	$ 1,690,724
	$ 975,548	$ 1,431,132	$ 1,690,724

The Company records accounts receivable or franchise notes (contract asset) when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. The Company does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset.

Note 3. Accounts Receivable

Accounts receivable consists of the following at December 31:

	2021	2020
Royalties receivable	$ 404,850	$ 313,871
Trade receivables	55,438	62,458
Interest receivable	-	153
	$ 460,288	$ 376,482

Note 4. Franchising Program

Franchise notes and advances receivable consists of the following at December 31:

	2021	2020
Franchise notes receivable	$ 92,773	$ 260,778
Advances receivable	238,010	201,636
	330,783	462,414
Less current portion	(208,889)	(262,561)
	$ 121,894	$ 199,853

Note 4. Franchising Program, Continued

Scheduled repayments of franchise notes and advances as of December 31, 2021, are as follows for the years ending December 31:

2022	$ 208,889
2023	81,450
2024	6,000
2025	34,444
	$ 330,783

Note 5. Property and Equipment

Property and equipment consists of the following at December 31:

	2021	2020
Furniture and equipment	$ 329,708	$ 318,190
Leasehold improvements	32,834	66,302
	362,542	384,492
Less accumulated depreciation	(144,411)	(197,184)
	$ 218,131	$ 187,308

Depreciation expense was approximately $60,500 and $19,800 for the years ended December 31, 2021, and 2020.

Note 6. Long-Term Debt

Long-term debt consists of the following at December 31:

	2021	2020
Senior term loan	$ 6,118,731	$ 6,418,731
Less unamortized debt issuance cost	(3,625)	(6,625)
Less current portion	(6,115,106)	(300,000)
	$ -	$ 6,112,106

In November 2016, the Company entered into a $7,550,000 senior term loan with a financial institution. The Company, as permitted by the loan agreement, paid quarterly principal payments of $94,375 on the senior term loan. In March 2018, the Company amended the senior term loan to increase the principal amount by $750,000, to fund a portion of the acquisition and to adjust the quarterly principal payments to $82,420 until maturity. In August 2020, the Company amended the senior note to decrease the interest rate and suspend principal payments until July 2021 when principal payments of $150,000 were due at the beginning of each quarter until September 2022, when a balloon payment of the balance is due and payable in full. Prior to this amendment in August 2020, amounts outstanding under the senior term note bears interest at fixed rate of 12.75 percent plus 5 percent payment-in-kind (PIK) interest that is compounded and added to the principal balance.

Note 6. Long-Term Debt, Continued

Beginning in September 2020, the senior note agreement was amended so that amounts outstanding bear interest fixed rate of 9 percent with no PIK interest. For the years ended December 31, 2021 and 2020, PIK interest of approximately $0 and $274,200, respectively, was added to the principal balance.

The senior term loan is subject to mandatory prepayments equal to 75 percent of annual excess cash flow as described in the loan agreement. There were no excess cash flow payments required as of December 31, 2021 and 2020. The senior term loan is collateralized by substantially all assets of the Company.

Scheduled principal payments on long-term debt as of December 31, 2021, excluding potential annual excess cash flow payments due on the term notes, are as follows for the years ending December 31:

2022	$ 6,118,731
	$ 6,118,731

Management is currently in discussions with the senior lender to refinance the term loan under similar terms prior to maturity in September 2022. The Company is required to maintain minimum financial ratios and compliance with certain affirmations as defined in the loan agreements.

Note 7. Coronavirus Aid, Relief, and Economic Security ("CARES") Act

Paycheck Protection Program (PPP):

In February 2021, the Company executed a term note with a financial institution which provided an unsecured loan in the amount of $263,700, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The promissory note contains events of default and other provisions customary for a loan of this type. The PPP provides that this loan may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act, and later amended by the Paycheck Protection Program Flexibility Act (the "Flexibility Act") signed into law in June 2020. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. In July 2021, the Company received notification from the Small Business Administration (SBA) that the Company's PPP loan had been fully forgiven. Accordingly, the Company recognized $263,700 of PPP income within other income (expenses) for the year ended December 31, 2021.

In March 2021, the Company entered into a loan with a financial institution in a principal amount of $259,656 pursuant to the Paycheck Protection Program ("PPP Second Draw Loan") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Second Draw Loan is unsecured and guaranteed by the United States Small Business Administration. The Company may apply to the financial institution for forgiveness of the PPP Loan, with the amount which may be forgiven equal to the sum of payroll costs, covered rent, and mortgage obligations, covered utility payments, worker protection costs related to COVID-19, and certain supplier costs and expenses for operations incurred by the Company during the covered period, calculated in accordance with the terms of the CARES Act.

Note 7. Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Continued

Paycheck Protection Program (PPP), continued:

The PPP also provides that this loan may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act, and later amended by the Paycheck Protection Program Flexibility Act (the "Flexibility Act") signed into law in June 2020. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. Management believes its use of PPP proceeds for the approved expense categories will generally be fully forgiven if the Company satisfies certain employee headcount and compensation conditions.

The PPP Second Draw Loan matures in March 2026 and management currently believes this loan will be forgiven before maturity. The Company has made an accounting policy election to classify the entire PPP loan balance as long-term debt on the accompanying consolidated balance sheets. As of the date of this report, the Company had not yet applied for forgiveness of the PPP term note.

Employee Retention Credit (ERC):

The Employee Retention Credit (ERC) program was created under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and was significantly modified, expanded and extended into the first three quarters of calendar year 2021 by the Consolidated Appropriation Act, 2021 (the "Act"). The goal of the ERC program is to encourage employers to retain and continue paying employees during periods of pandemic-related reduction in business volume even if those employees are not actually working, and therefore, are not providing a service to the employer. Under the Act, eligible employers could take credits up to 70% of qualified wages with a limit of $7,000 per employee per quarter for the first three quarters of calendar year 2021. In order to qualify for the ERC, organizations generally have to experience at least a 20% decrease in gross receipts in the quarter compared to the same quarter in calendar year 2019.

The Company applied for the ERC totaling approximately $284,000, which included approximately $121,000 for quarters two, three and four of calendar year 2020 and approximately $163,000 for quarter one of 2021. During 2021, the Company has received approximately $108,000 of the first quarter 2021 from the Internal Revenue Service. The remainder of approximately $176,000 is recognized as a receivable on the accompanying 2021 balance sheet. The Company has accounted for the ERC income as a government grant which analogizes with International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance. IAS 20 indicates that income is recognized when it is considered that there is reasonable assurance the grant will be received and all necessary qualifying conditions, as stated in the CARES act, are met. Under IAS 20, income is recognized on a systematic basis over the period in which the entity recognizes as expenses the related costs for which the grant is intended to compensate. The Company elected to account for the use of the ERC on a gross basis and the income is included in other income within the statement of operations. The activity related to ERC income is included in the operating activities of the statements of cash flow. As such, the Company has recognized a receivable and other income in the accompanying 2021 and 2020 financial statements relating to the ERC.

Note 8. Income Taxes

The components of the income tax benefit (expense) are as follows for the years ended December 31:

	2021	2020
Current expense	$ (6,724)	$ (39,473)
Deferred benefit (expense)	(169,254)	337,071
	$ (175,978)	$ 297,598

The types of temporary differences and their related tax effects that give rise to the deferred tax assets and deferred tax liabilities are as follows as of December 31:

	2021	2020
Deferred tax assets:		
Goodwill	$ 41,873	$ 49,253
Accrued bonuses	26,212	26,094
Federal and state NOL Carry Forward	35,429	52,681
Deferred revenue	274,989	386,725
	378,503	514,753
Deferred tax liabilities:		
Property and equipment	(44,927)	(11,923)
Net deferred tax asset	$ 333,576	$ 502,830

If, based on the weight of available evidence, it is more likely than not that all deferred tax assets will not be realized, a valuation allowance must be recorded. No valuation allowance was considered necessary as of December 31, 2021 and 2020.

The Company's actual income tax provision reflect differences from the expected amount primarily due to state income taxes, net operating loss carrybacks, and goodwill amortization that is deemed non-deductible for tax reporting purposes.

Note 9. Related-Party Transactions

The Company has a management services agreement with the majority member of the Company. The member serves as an advisor and provides management services to the Company. Management fees were approximately $148,000 and $141,000 for the years ended December 31, 2021 and 2020, respectively. There were approximately $254,000 and $105,800 of unpaid management fees as of December 31, 2021 and 2020, respectively.

Note 10. Commitments and Contingencies

Franchisee leases:

The Company has negotiated, on behalf of certain franchisees, leases for their operating locations. For certain leases, the payment obligations of the franchisee under the lease agreement are guaranteed by the Company in the event of default. The lease agreements expire at various times through December 2027.

Note 10. Commitments and Contingencies, Continued

Franchisee leases, continued:

Future minimum lease payments under the non-cancelable operating leases guaranteed by the Company as of December 31, 2021, are as follows for the years ending December 31:

2022	$ 4,091,421
2023	3,140,550
2024	2,158,413
2025	1,172,651
2026	433,466
Thereafter	52,064
	$ 11,048,565

Operating leases:

The Company leases office space and certain equipment under a non-cancelable operating leases, which expire at various times through July 2026. Rent expense was approximately $763,000 and $759,000 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payments under the non-cancelable operating leases as of December 31, 2021 are as follows for the years ending December 31:

2022	$ 601,341
2023	346,419
2024	175,714
2025	116,442
2026	29,821
	$ 1,269,737

Minimum lease payments do not include contingent rentals which may be required under certain leases based on sales in excess of stipulated minimums, increases based on the consumer cost of living index, or required payment of taxes, insurance and maintenance for common area cost.

Legal matters:

From time to time, the Company is party to certain legal matters, including those related to contracts and franchise agreements that arise in the ordinary course of business. The estimated cost that the Company expects to pay in relationship to these matters is accrued when the liability is considered probable and the amounts can be reasonably estimated. In management's opinion, any such outstanding matters of which the Company has knowledge have been reflected in the financial statements or would not have a material adverse effect on the Company's financial position and results of operations.

Note 10. Commitments and Contingencies, Continued

COVID-19:

The COVID-19 pandemic has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. As a result of the COVID-19 pandemic, and in response to government mandates or recommendations, as well as decisions the Company and the Company's franchisees have made to protect the health and safety of employees, consumers and communities, the Company and the Company's franchisees temporarily closed a significant number of stores during 2020. However, all stores have since reopened during 2021. The Company and the Company's franchisees may face store closure requirements and other operational restrictions with respect to some or all physical locations for prolonged periods of time due to, among other factors, evolving and increasingly stringent governmental restrictions including public health directives, quarantine policies or social distancing measures. It is unknown the extent and duration to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Company's and its customers' costs, demand for the Company's products and services, and the U.S. economy.

NOTICE

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Jewelry Repair Enterprises, Inc.
Unaudited March 2023

	Income Statement
Revenue	
Service Income……..	$851,598
Vendor Rebates	23,775
Corp Store Revenues	736,010
Franchise/Renewal/Transfer Fees	6,000
Ireland Royalty	15,750
Total Revenue……	$1,633,132
COS	
COGS……..	$151,391
COS……	$151,391
Gross Profit……..	$1,481,741
SG&A	
Personnel……	$473,215
Facilities……	179,027
General & Administrative……	84,888
Sales, Marketing & Promotions……..	47,165
Professional Fees (Legal/Acct/Consulting)	56,603
Insurance……..	12,652
Depreciation…….	21,553
Amortization…….	173,580
SG&A…….	$1,048,682
EBIT……	**$433,059**
Other Expense / (Income)	
Interest Expense……..	$222,372
Management Fee……	63,000

Other Expenses……	53,604
Other Expense / (Income)……	$338,976
Pre-Tax Income……..	$94,083
Income Tax……..	($221)
Net Income…….	$94,304

	Balance Sheet
Assets	
Current Assets	
Cash……..	$1,306,046
Accounts Receivable……	370,975
FZ Fee/Renewal/Note Receivable……	401,995
Inventory……	603,539
Prepaid Expense……	115,215
Current Assets……..	$2,797,770
PP&E……	$174,389
Taxes - Prepaid and Deferred	401,888
Goodwill…….	3,057,849
Other…….	659,166
Total Assets……..	**$7,091,062**

Liabilities & Shareholders' Equity	
Current Liabilities	
Accounts Payable……	$145,546
Accrued Expenses……	1,036,387
Deferred Revenue.....	705,069
Current Liabilities…….	$1,887,002
Senior Debt	
Term Loan……	$4,953,752
Debt…….	$4,953,752
Other Liabilities……	46,000
Total Liabilities……	$6,886,754
Shareholders' Equity	
Common Equity…….	$906,330
Retained Earnings…….	(702,023)
Shareholders' Equity…….	$204,307
Total Liabilities & Shareholders' Equity……	**$7,091,062**

EXHIBIT G

SAMPLE GENERAL RELEASE

General Release

THIS GENERAL RELEASE (the "Release") is entered into on this ___ day of _____, 20__, by and between Jewelry Repair Enterprises, Inc., a Pennsylvania corporation, with its principal place of business at 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487 ("Franchisor") and {_____, an individual} {_____, a(n) _____{corporation, limited liability company}, located at {_____} {("Franchisee")} {("Transferor")}.

BACKGROUND:

A. Franchisor and {Franchisee}{Transferor} are parties to a Franchise Agreement dated _____ (the "Franchise Agreement"); and

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, {to renew or extend Franchisee's rights under Section 2.5 the Franchise Agreement (the "Renewal Transaction")} {to permit a transfer pursuant to Section 10 of the Franchise Agreement (the "Transfer Transaction")} {to permit a relocation pursuant to Section 3.2 of the Franchise Agreement (the "Relocation Transaction")}, and in connection with the {Renewal Transaction} {Transfer Transaction} {Relocation Transaction}, Franchisor and {Franchisee} {Transferor} have agreed to execute this Release, along with such other documents related to the approved {Renewal Transaction} {Transfer Transaction} {Relocation Transaction}; and

C. Capitalized terms not otherwise defined in this Release shall have the meanings as defined in the Franchise Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. **Release.** {Franchisee} {Transferor} and its legal or beneficial owners (the "Principals"), and their respective agents, representatives, heirs, administrators, successors and assigns (the "Franchisee Group"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, managers, directors, officers, agents, employees, representatives, administrators, successors and assigns (the "Franchisor Group") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether based on statutory or common law, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, matured or unmatured, determined or undetermined, contingent or fixed, and whether or not yet accrued or asserted which {Franchisee} {Transferor} and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the FAST-FIX Service Center franchise. The Franchisee Group further indemnifies, defends and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or in any way relating to the Franchise Agreement or the FAST-

FIX Service Center franchise. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

In providing this Release, {Franchisee} {Transferor} and its owners, partners, members and/or shareholders expressly acknowledge that, to the extent the laws of the State of California govern the relationship of the parties hereto, {Franchisee} {Transferor} and its owners, partners, members and/or shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

"A General Release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known to him or her must have materially affected his or her settlement with the debtor."

{Franchisee} {Transferor} and its owners, partners, members and/or shareholders hereby expressly waive any and all rights under any similar federal or state statute, regulation or rule.

2. <u>General Terms</u>.

2.1 This Release shall be binding on, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2 This Release shall take effect on its acceptance and execution by each of the parties hereto.

2.3 This Release may be executed by the parties hereto in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart. Furthermore, delivery of a copy of a counterpart signature by facsimile or electronic transmission shall constitute a valid and binding execution and delivery of this Release, and such copy shall constitute an enforceable original document.

2.4 The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5 This Release and the transactions contemplated hereby, and all claims and defenses arising out of or relating to any such transaction or this Release or the formation, breach or validity of any part of this Release, shall in all respect be governed by, and construed in accordance with, the laws of the State of Florida without giving effect to any conflicts of laws principles of such state that would apply the laws of another jurisdiction.

2.6 This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied on anything other than the words of this Release in deciding whether to enter into this Release.

2.7 No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

FRANCHISOR: JEWELRY REPAIR ENTERPRISES, INC.	**{FRANCHISEE} {TRANSFEROR}**: {NAME}
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title: _____
Date Signed: _____	Date Signed: _____

EXHIBIT H

STATE SPECIFIC ADDENDA

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Neither we nor any person 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 and Exchange Act of 1934, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following language is added to the end of the first paragraph in Item 5:

The California Department of Financial Protection and Innovation, Securities Regulation Division requires that all fees be deferred until after the franchisor has completed all of its initial preopening obligations to franchisee and the franchisee is open for business.

3. 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.

4. OUR WEBSITE, www.fastfix.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. Delete and replace the "Interest on Late Payments" row in Item 6 with the following:

Interest on Late Payments	18% per annum; or maximum rate permitted by law (which is 10% in California)	On demand	Imposed if any payment you owe us is overdue

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

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination On Bankruptcy. The Franchise Agreement provides for termination on bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Franchise Agreement contains a covenant not to compete which extend beyond the termination of the franchise. This provision may not be enforceable under California law.

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

Applicable Law. The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

Arbitration. the Franchise Agreement requires binding arbitration. The arbitration will occur in Broward County, Florida with the costs being borne by the non-prevailing party.

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.

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

Releases. The Franchise Agreement requires you to sign a general release of claims on renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

7. The following paragraph is added to the end of Item 19 of the Disclosure Document:

The financial performance representation figures do not reflect all of operating expenses or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

8. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the end of the first paragraph in Item 5:

The Hawaii Department of Commerce and Consumer Affairs Business Registration Division requires us to defer payment of the initial franchise fee and other initial payments owed by the franchisee to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchise location has opened for business.

HAWAII DISCLAIMER

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

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

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

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, 335 Merchant Street, Honolulu, Hawaii 96813.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

1 Item 5 of this disclosure document is modified to include the following:

We will defer all initial franchise fees owed to us by you until such time as all initial obligations owed to you have been fulfilled by us and you have started doing business. This deferral is required by the Illinois Attorney General's Office based on our financial statements.

2. Delete and replace the "Summary" section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document with the following:

Litigation must be in Illinois.

3. Delete and replace the "Summary" section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document with the following:

Except for federal law, Illinois law governs.

4. Illinois law governs the Franchise Agreement(s).

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

6. Your rights on termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5 is amended to state:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. The "Summary" sections of Items 17(c), entitled **Requirements for franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of transfer**, of the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" section of Item 17(h), entitled **"Cause" defined – non-curable defaults**, of the Disclosure Document is amended by adding the following:

The agreement provides for termination on bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

4. The "Summary" section of Item 17(v), entitled **Choice of Forum**, of the Disclosure Document is amended by adding the following:

Although you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" section of Item 17(w), entitled **Choice of law**, of the Disclosure Document is amended by adding the following:

Except for federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, the law of the State the Franchised Business is located governs.

6. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5 of this disclosure document is modified to include the following language:

Based on our financial condition, we are required by the Minnesota Department of Commerce to defer initial fees until we have fulfilled our pre-opening obligations to you and you are open for business.

2. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective

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

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

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

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

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

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5 to the Franchise Disclosure Document is amended to state:

The North Dakota Division of Securities requires us to defer payment of the initial franchise fee until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

2. The Summary column of Item 17(c) of this disclosure document is by revising the last language to read:

You must sign a general release of claims (except for any claims arising under the North Dakota Franchise Investment Law (the "**North Dakota Law**").

3. The Summary column of Item 17(i) of this disclosure document is modified by deleting the following language:

"(including liquidated damages for premature termination)"

4. The Summary column of Item 17(r) of this disclosure document is modified by adding the following sentence:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

5. The Summary column of Item 17(u) of this disclosure document is amended by adding the following sentences:

Under the North Dakota Law, if applicable, the site of arbitration must be agreeable to all parties and may not be remote from your place of business.

6. The Summary column of Item 17(v) of this disclosure document is amended to read as follows:

The North Dakota Law, if applicable, prohibits us from requiring you to consent to the jurisdiction of courts outside North Dakota, including courts in Florida.

7. The Summary column of Item 17(w) of this disclosure document is modified to read as follows:

If the North Dakota Law applies, the law of North Dakota.

8. If the North Dakota Law applies, we are prohibited from requiring you to waive trial by jury for any claims arising under the North Dakota Law.

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5 is amended to state:

Based on the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by any franchisee must be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and the franchisee commences doing business.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5 to the Franchise Disclosure Document is amended to state:

   The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

Item 5 of the Franchise Disclosure Document is amended to state:

In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business.

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

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

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

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

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

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring

any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Pursuant to RCW 19.100.010(F), any person who receives financial incentives to refer franchise prospects to the franchisor may be required to register as a franchise broker under the laws of Washington.

EXHIBIT I

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

EXHIBIT J

RECEIPTS

RECEIPT

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

If we (Jewelry Repair Enterprises, Inc.) offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this disclosure document at the 1st personal meeting. **Michigan** requires that we give you this disclosure document 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. **New York** requires that we give you this disclosure document at the earlier of the 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the authorized state agency listed in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Fadi Esmail, Maria Del Moral, Linda Mossessian, Anna Heebner and Anita Briggs , 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487, (800) 359-0407 or (561) 330-6060; and _____ _____.

Issuance Date: June 1, 2023

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated June 1, 2023, that includes the following Exhibits:

A. Agencies/Agents for Service of Process
B. Franchise Agreement and Attachments
C. Table of Contents of Brand Standards Manual
D. Franchisees and Company-Owned Locations
E. Franchisees Who Left the System
F. Financial Statements
G. Sample General Release
H. State Specific Addenda
I. State Effective Dates
J. Receipts

Date:_____ Your Name (Please print): _____

Your signature: _____

You should return one copy of the signed receipt either: by signing, dating, and mailing it to Fadi Esmail, 6413 Congress Avenue, Suite 240, Boca Raton, Florida 33487; or by faxing or emailing it to Fadi Esmail at 561-431-3231 or fesmail@fastfixfranchise.com. You may keep the second copy for your records.

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

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