FRANCHISE DISCLOSURE DOCUMENT

GK USA FRANCHISE, LLC
a Delaware Limited Liability Company
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The franchise offered is for a business operating under the name "Garage Kings," which specializes in the professional installation of garage floor coating, concrete resurfacing, commercial epoxy coating and decorative epoxy flooring.

The total investment necessary to begin operation of a single Garage Kings franchise ranges from $97,250 to $266,500 (not including real property), including between $65,000 that must be paid to the franchisor, its Parent or 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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Garage Kings Franchise Development Team at 1831 Delaware Avenue, Wilmington, Delaware 19806 and 302-330-2219.

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

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

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

Issuance Date: February 19, 2021

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and litigation in the state of Delaware. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in the state, county and judicial district in which the franchisor's principal place of business is then located than in your own state.

2. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

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

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

The Franchisor

The franchisor is GK USA Franchise LLC (referred to in this Disclosure Document as "**Garage Kings**," "**we**," "**us**," or "**our**"). We were formed as a Delaware limited liability corporation January 12, 2021. Our principal place of business is 1831 Delaware Avenue, Wilmington, Delaware 19806 and we do business under our corporate name and the name "Garage Kings." Our predecessor first began offering franchises February 11, 2019. We do not offer franchises or conduct business in any other line of business. We do not own or operate a business of the type being franchised.

In this Disclosure Document, we refer to person or business entity that will be signing the Franchise Agreement (defined below) as "**you**," "**your**," "**franchisee**" or "**Developer**."

Our agents for service of process are listed in Exhibit H.

Our Parents, Predecessors and Affiliates

Our parent, GK USA Parent LLC, a Delaware corporation headquartered at 1831 Delaware Avenue, Wilmington, Delaware 19806 ("**Parent**"), was legally formed in May 2020.

Our predecessors are Garagekings.com, Inc., a Delaware corporation and its parent, Beautiful Surfaces Inc., a Canadian corporation headquartered at 25 Timandra Crescent, Moncton, NB E1E 5Y3, Canada, which was started in October 2013 and legally formed in June 2015. Beautiful Surfaces Inc. ("Beautiful Surfaces") began offering licenses for the use of Garage Kings' proprietary products in connection with the professional installation of concrete floor coating systems in the United States in May 2017 and in Canada in September 2015 and was the supplier of certain proprietary products used in the installation of Garage Kings' concrete floor coating systems. Garagekings.com Inc. was formed on January 2, 2019 for the purposes of offering franchises in the United State and Beautiful Surfaces ceased offering licenses to establish businesses specializing in the professional installation of Garage Kings concrete floor coating systems in residential and commercial properties in the United States.

Our Parent acquired the assets, including the rights to its intellectual property including the marks and the Garage Kings business system and its existing franchise and dealer agreements, from the predecessors in a July 2020 transaction. We will offer each of our Parent's U.S. licensees the opportunity to enter into our form of Franchise Agreement attached as Exhibit B to this Disclosure Document. For those licensees who elect to enter our form of Franchise of Agreement, we will terminate their existing license agreement. If a licensee elects not to enter into our form of Franchise Agreement, then they will continue to operate under their existing license agreement until it expires or is soon termination. Our Parent has never offered franchises or licenses in any other line of business.

Our affiliate, GK USA Properties LLC, owns the trademarks, service marks, trade names, logos, emblems, and indicia of origin as described in Item 13 of this Disclosure Document. Our affiliate GK USA Holdings, LLC is an approved supplier of certain items to the franchise system. Our affiliate, 3338147 Nova Scotia Company, is the licensor of Garage Kings businesses in Canada. All of our affiliates were formed and began operations in 2020.

Description of Franchise

We have developed a proprietary system (the "**System**") for opening and operating Garage Kings franchises, which are businesses specializing in the professional installation of our proprietary concrete floor coating systems in residential and commercial properties and the offer and sale of related and ancillary products, programs and services offered now or in the future (each, "**Garage Kings Business**"). You will be required to operate your Garage Kings Business from an office location capable of accepting delivery of the supplies and products (including, our proprietary products) necessary to operate your Garage Kings Business (the "**GK Office Location**"). You may use your personal residence or a commercial office space that we approve for your GK Office Location, so long as your GK Office Location is located within your Territory and no more than one hour's driving time from the farthest boundary of your Territory. While you will be required to have a GK Office Location, you will primarily use a van or truck that meets our specifications (the "**GK Work Vehicle**") to operate your Garage Kings Business. You will also use a storage trailer to, as a courtesy for your client, store your clients' belongings while you install the Garage Kings concrete floor coating system in their home or business (the "**GK Storage Trailer**"). The System makes use of the trade name and mark "Garage Kings," as well as additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin (as identified in Item 13). These principal marks and all other marks which may be designated by us in the future in writing for use with the System are referred to in this Disclosure Document as the "**Proprietary Marks.**" The System includes distinctive signage; proprietary products; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising, all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in the Confidential Operations Manual (which you should expect to evolve over time) that will be provided to you as a franchisee.

Types of Franchises

We offer a unit franchise program under which you sign a "**Franchise Agreement**" and you commit yourself to develop and open one Garage Kings Business (see the current form of Franchise Agreement in Exhibit B).

Market and Competition

The market for your services consists of residential homeowners and commercial business owners seeking the high quality and professional: (i) application and installation of coatings for concrete floors; and (ii) repair, maintenance, and renovation of concrete floors. The market for such services is well developed, and while not generally seasonal, your Garage Kings Business may experience a seasonal curve depending upon your market and weather conditions. You will compete with businesses (including, locally owned, regional and national businesses) offering the same or similar products and services to residential homeowners and commercial business owners.

Industry Regulations

A wide variety of federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Garage Kings Business, and may include those which: (i) establish general standards, permitting restrictions and requirements relating to the application and installation of coatings for (and the repair, maintenance and renovation of) concrete floors in residential and commercial properties; (ii) set standards pertaining to employee health and safety; (iii) regulate matters affecting the health, safety and welfare of your customers; (iv) establish standards and procedures for the disposal of

hazardous wastes; (v) establish general standards, permitting restrictions and requirements, zoning and other specifications and requirements for the construction, design, maintenance and operations of the premises for your Garage Kings Business; and (vi) establish general standards and licensing requirements related to the operation of vehicles and trailers. Depending on the location of your Garage Kings Business, the variety of federal, state, and local laws or municipal, county or state licensing, bonding, and certification requirements that may apply to your Garage Kings Business will vary greatly.

Except for states that may have laws requiring licensing of contractors, to our knowledge there are no other laws or regulations that are specific to the operation of a Garage Kings franchise. We do not assume any responsibility for advising you on these regulatory matters. It is your sole obligation to comply with all state regulations with respect to contractor licensing in the states that require licensing. Therefore, you should independently research and review the legal requirements of the concrete floor coating industry with your own attorney before you sign any binding documents or make any investments. In addition to the federal, state and local laws that may specifically apply to your Garage Kings Business due to the nature of products and/or services offered, many of the laws, rules and regulations that apply to businesses generally will also apply to your Garage Kings Business. You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Garage Kings Business, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Garage Kings Business.

ITEM 2
BUSINESS EXPERIENCE

Troy S. Rainsberg: Chief Executive Officer

Mr. Rainsberg has served as our Chief Executive Officer (CEO) and the also the CEO of our parent entity since inception. Prior to that time, Mr. Rainsberg was Vice President of Sales and Operations for Horizon Services, located in Newark, Delaware, from April 1999 to November 2019.

Mark Foster: President

Mr. Foster has served as our President and also the President of our parent entity since inception. Prior to that time, Mr. Foster was President and Chief Executive Officer of Inpatient Medical Services, located in Akron, Ohio, from March 2012 to January 2017.

Jed Bettelon: Director of Business Management

Mr. Bettelon has served as our Director of Business Management and also the Director of Business Management of our parent entity since February 18, 2021. He has also served as the President of Superior Head Surface Solutions, a Garage Kings franchised business located in New Carlisle, Ohio, since April 2013.

ITEM 3
LITIGATION

Our Predecessors were subject to the following administrative orders:

Predecessor Administrative Orders and Decrees

In the Matter of Garagekings.com Inc, Minnesota Department of Commerce (June 20, 2019).

On June 20, 2019, the Minnesota Department of Commerce and we entered into a Consent Order related to Beautiful Surfaces' offer and sale of one license in Minnesota. The Consent Order requires us to comply with the Minnesota Franchises Law by not offering or selling franchises until the offer has been duly registered in the State of Minnesota. We neither admitted nor denied any violation of the Minnesota Franchises Law in entering into the Consent Order. Pursuant to the Consent Order, Beautiful Surfaces paid $1,000 in penalties to the State of Minnesota.

In the Matter of Beautiful Surfaces Inc. d/b/a Garage Kings, Washington Department of Financial Institutions Securities Division September 11, 2019)

On September 11, 2019, the Washington Department of Financial Institutions Securities Division and our predecessor entered into a Consent Order related to Beautiful Surfaces' offer and sale of one license in Washington. The Consent Order requires us to comply with the Washington Franchises Investment Protection Act. We neither admitted nor denied any violation of the Washington Franchises Investment Protection Act in entering into the Consent Order. Pursuant to the Consent Order, Beautiful Surfaces paid $2,281.25 in penalties to the State of Washington.

Other than these actions, there is no litigation that 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

To purchase a Garage Kings Business, you must pay an initial franchise fee ("**Initial Franchise Fee**") equal to $65,000, which includes $7,500 for training. If you wish to purchase two Garage Kings Businesses serving two contiguous Territories, then the combined Initial Franchise Fee for the two Garage Kings Businesses is $108,125 ($57,500 for the first + $43,125 for the second + $7,500 training). If you wish to purchase three Garage Kings Businesses serving three contiguous Territories, then the combined Initial Franchise Fee for the three Garage Kings Businesses is $136,875 ($$57,500 for the first + $43,125 for the second + $28,750 for the third + $7,500 training). Your Territory will generally contain approximately 100,000 single family owner-occupied homes. The Initial Franchise Fee is paid in one lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstances. Except as described below, the Initial Franchise Fee is uniformly imposed on all franchisees that purchase a Garage Kings franchise after the issuance date of this Disclosure Document.

The existing licensees who entered into agreements with our predecessor, Beautiful Surfaces, will not pay the Initial Franchise Fee if they elect to execute a Garage Kings Franchise Agreement.

Before your Garage Kings Business opens, you must purchase from us or our affiliate an initial inventory of our proprietary products that will be used in connection with your installation of the concrete floor coating system. The initial inventory of proprietary products will cost approximately $10,000 to $25,000. You must also purchase from us, our Parent or designated affiliate an initial package of the equipment that you will use in connection with your installation of our proprietary products. The initial equipment package will cost approximately $12,000 to $35,000. These costs are not refundable.

You pay us, our Parent, or affiliated no other fees or payments for services or goods before your Garage Kings Business opens.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Weekly Royalty	7% of Weekly Gross Revenue	Payable Weekly	We may adjust annually for inflation in accordance with the CPI-U index published by the United States Bureau of Labor Statistics. See Note 1
National Marketing Fund	3% of Weekly Revenue	Payable Weekly	See Item 11
Local Marketing	10% of your annual Gross Revenues for the first 2 years in operation; Thereafter, 5% of your annual Gross Revenues	To be spent annually according to a marketing plan recommended by us.	You must promote your Business within your Territory. All Marketing materials that you propose to use need to be approved by us. You are required to spend at least 10% of your annual Gross Revenues for your first two years of Operations. See Note 2
Local Digital Marketing	Monthly budget to be Determined by the Franchisee	Will be automatically billed by CC or ACH when the bill is received	We will coordinate the digital marketing program for every franchise. Franchisees will determine a monthly budget to allocate towards PPC (Google Adwords) and will be billed according to actual costs.
Call Center Fees	2% of Weekly Revenue	Payable Weekly	Participation in the Call Center is required for all new franchisees. We will coordinate the qualification and scheduling of all estimates allowing you to focus on selling and installing garage floors.

Type of Fee	Amount	Due Date	Remarks
Proprietary and Other Designated Products	See Note 4	Payable when ordered from us, our Parent or other affiliate we may designate from time to time	You must purchase all proprietary products, chemicals, flakes and aggregates required for use in the installation of concrete floor coatings and concrete crack repair from us, our Parent or other affiliate we may designate from time to time. You are also responsible for paying the costs of shipping the proprietary products that you order from us, our Parent or our designated affiliate. The shipping costs will be invoiced to you and are due and payable in accordance with the terms of your shipping invoice. We, our Parent or our designated affiliates may offer discounts on shipping (as provided in our Manual) depending on the amount of proprietary products you order.
Initial Training	All living (food), transportation expenses and wages of all trainees. The amounts are unknown and may vary based on airfare, gas, vehicle, etc..	While attending training.	We provide the Initial Training Program for you and all of your employees, managers, salespeople, installers. You are only responsible for travel and food during the training. See Note 4
On-Site Training	No Cost	N/A	New Franchisees will receive one week of on-site training during the first 4-6 weeks of their business opening. See Note 4

Type of Fee	Amount	Due Date	Remarks
Additional On-Site Training	Our then-current daily training fee; plus expenses Current daily rate = $250/day	Due 7 days after billings	If you request that we provide additional training or if we determine additional training is necessary, you must pay our daily rate for each trainer we send, and you must reimburse each trainers expenses, including travel, lodging and meals.
Franchisee Meetings	Personal Expenses	While attending Meetings	We host national and regional meetings that you (if you are an individual), your Operating Principal and GK Business Manager must attend.
Insurance	$500 - $2,500	When billed by insurance carrier requires	Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may pay premiums and charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience. See Note 5.
Taxes	Varies	Promptly when Due	You must pay us all taxes we pay except for our corporate income taxes due to goods or services we furnish to you, the Initial Franchise Fee, the Area Development Fee or Continuing Royalties.
Late Fee on Unpaid Amounts Owed	$100	Upon Request	You must pay a late fee of $100 on any amounts not paid within 7 days of when they were due to us or our affiliates.

Type of Fee	Amount	Due Date	Remarks
Interest on Unpaid Amounts Owed	The maximum legal interest rate permitted by law, or if no legal maximum, then 2% above the then-current Wall Street Journal prime rate of interest	Upon Request	Any unpaid amounts not paid within 7 days of when payment is due will bear interest from the original date due until paid, at the maximum interest rate permitted by law. If there is no legal maximum interest rate, interest will accrue at the rate of 2% above the then-current Wall Street Journal prime rate of interest.
Audit	The amount of the audit. Expenses are unknown and may vary depending upon factors such as the auditor selected.	When billed	See Note 6.
Renewal Fee	10% of Current Franchise Fee	Before we sign a renewal franchise agreement	You will only need to pay this fee if you renew the Franchise Agreement.
Transfer Fee (Franchise Agreement)	$5,000	Before we approve the transfer	

Type of Fee	Amount	Due Date	Remarks
Management Fee	Greater of (a) two times the compensation paid to individual(s) we assign to operate Business, or (b) 10% of Business's monthly Gross Revenues	See Remarks	From the date of your death or disability or the death or disability of your last surviving owner (if you are a business entity), until a new Operating Principal assumes control, we may operate your Business, but we will have no obligation to do so. If we do, then we will deduct our expenses from Business's Gross Revenues and pay ourselves the Management Fee shown in column 2. The Management Fee will be in addition to the Continuing Royalties due us. We will remit any remaining funds to your Estate. The Estate must pay us any deficiency in sums due to us under the Franchise Agreement, within ten (10) days of our notifying the Estate of the deficiency.
Indemnification of Us	Will vary depending on the circumstances	Upon request	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Garage Kings Business, or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner.
Application of Funds			We can apply your payments to the oldest obligation due.

Type of Fee	Amount	Due Date	Remarks
Attorneys' and Experts' Fees, Court Costs	The amount of these fees and costs are unknown and may vary depending upon factors, such as, the attorneys and experts selected and the court costs incurred.	As Arranged	See Note 7
Signage/Logo Updates	Will vary	As incurred	We may periodically require you to update the Signage and Logo on your vehicles/trailers, which may require you to install new color schemes. We will not make this request more frequently than every five years.
Advances		Upon Request	You must pay us all amounts we advance to third parties for you.

Notes

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

(1) "Gross Revenue" includes the total amount of all sales and other income derived from conducting the Business within the Designated Territory, whether or not amounts are collected and whether payment is made by way of cash, credit or otherwise. No allowance shall be made for bad debts. Gross revenue will not include any sales tax.

We reserve the right to require that all Royalty payments to us under the Franchise Agreement be paid by direct debit, electronic funds transfer or other similar technology we designate that is designed to accomplish the same purpose.

(2) Any advertising/print materials purchased from us, our Parent, or our designee will be credited towards the minimum annual amount you are required to expend on local advertising.

(3) You must buy proprietary products from us, our Parent or our affiliates. We (or our Parent or affiliate) will sell you proprietary products, equipment or services under terms we develop and advise you of periodically. We may earn a profit on the sale of proprietary products to you.

(4) The Initial Training Program will happen in four phases.

Phase 1 -	Pre-Training Checklist	(Virtual)
Phase 2 -	Corporate Business Training	(Training Center/Virtual)
Phase 3 -	Installation/Sales Training	(Training Center/Virtual)
Phase 4 -	On-Site Training	(Your Location)

Our temporary Training Center is currently located in Cincinnati, OH. Our first permanent Training center will be located in Columbus, OH. As such, you will only be responsible for initially paying: (i) the compensation, travel and food expenses of your personnel who will be attending the Training Program(s) at the Training Center and (ii) the expenses associated with securing clients for the On-the-Job aspect of the On-Site Training Program.

(5) You must maintain the following insurance at your cost during the term of your Franchise Agreement and any renewal thereof:

a. Broad form comprehensive general liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage, product liability and completed operations. This insurance may not have a deductible or self-insured retention of more than $2,500;

b. Broad form coverage on your GK Office Location (which includes the building, equipment, inventory and tools) in an amount adequate to replace them in case of an insured loss, basis of settlement to be replacement cost;

c. Business interruption coverage, actual loss sustained, in amounts sufficient to cover your business rental expenses, maintenance of competent personnel and other fixed expenses for a period of 12 months;

d. Automobile liability insurance (including coverage for your GK Work Vehicle, GK Storage Trailer and all owned, non-owned, leased or hired vehicles with minimum limits of liability in the greater of: (i) the greatest amount required by any applicable federal, state or local law; or (ii) $1,000,000 per occurrence;

e. Employer's liability (with a minimum standard limit of $500,000/$500,000/$500,000), workers´ compensation, and any other insurance that may be required by statute or rule of the state or locality in which the Garage Kings Business is located and operated;

f. Any insurance coverage required by the terms of the lease for your GK Office Location; and

g. Any other insurance coverage we may require in the future. In addition to the required insurance policies listed above, in connection with any construction, renovation, refurbishment or remodeling of the GK Office Location, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties.

We may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain, and all features and elements thereof, by written notice to you (through a Supplement to our Manual, or otherwise). Upon delivery or attempted delivery of this written notice, you must immediately purchase insurance conforming to any such newly established standards and limits.

(6) If an audit reveals that you understated the Gross Revenues on your monthly reports to us by more than 2% but less than 5% for any month within the period of examination, or for the entire period of examination, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 2% above the then-current Wall Street Journal prime rate of interest.

If an audit reveals an understatement by you of 5% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, plus interest and the full cost of the audit, your understatement will be a material and incurable breach of the Franchise Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

If an audit reveals that you understated your Gross Revenues by 2% or less for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit.

The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

(7) You or we can recover from the other party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation in any action instituted against the other party to secure or protect your or our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action begun or joined in by the other party against the prevailing party.

If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement or your Garage Kings Business as a result of any act or omission of yours or the franchised Business, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur.

If we terminate the Franchise Agreement for your default, or if you terminate the Agreement through non-payment (see Item 17, section d.), you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT OF ONE GARAGE KINGS BUSINESS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$57,500	Lump Sum	Upon execution of the Franchise Agreement	Garage Kings
Training Fee (Note 1)	$7,500	Lump Sum	Upon execution of the Franchise Agreement	Garage Kings
Additional Training Expenses (Note 1)	$0 – $3,000	As airlines, restaurants, etc. require	As airlines, restaurants, etc require	Airlines, restaurants, etc.
Real Property (Note 2)	$0 - $1,200			
Storage Space (Note 3)	$0 - $500	As Arranged	As Arranged	Storage Facility
Construction/Remodeling Leasehold Improvements (Note 4)	$0 – $5,000	As Arranged	As Contractor requires	Contractor
Initial Equipment Package (Note 5)	$0 – $35,000	Lump Sum or Monthly Installments	Prior to Training	Garage Kings
Initial Product Order (Note 6)	$10,000 – $25,000	Lump Sum	As Incurred	Garage Kings
GK Work Vehicle/ GK Storage Trailer (Note 7)	$0 – $68,000	Lump Sum or Monthly Installments	As Arranged	Supplier
Office Equipment, Fixtures, Décor, Supplies	$0 – $2,500	As Arranged	As Arranged	Supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
and Furnishings				
Computer Hardware & Software (Note 8)	$0 – $2,000	Lump Sum or Monthly Installments	Before Training	Supplier
Vehicle Signage (Note 9)	$1,500 – $4,500	Lump Sum	Before Opening	Supplier
Wages, Transportation and Lodging during Initial Training (Note 10)	$0 – $5,000	As Incurred	During Training	Employees, Transportation Carriers, Hotels and Restaurants
Insurance (Note 11)	$500 – $2,500	As Incurred	As Incurred	Insurance Companies
Advertising & Marketing (Note 12)	$10,000 – $20,000	As Arranged	As Arranged	Supplier
Epoxy Flooring Installation License (Note 13)	$0 – $1,000	As Incurred	Before Opening	Governmental Agencies
Professional Fees (Note 14)	$250 – $2,500	As Arranged	As Arranged	Attorney, Accountant,
Additional Funds – 3 Months (Note 15)	$10,000 – $25,000	As expenses occur	After opening	Various
TOTAL: (Note 16)	**$97,250 - $266,500**			

Notes

Unless otherwise stated, all fees payable to us are nonrefundable. Whether such fees paid to third parties are refundable would depend upon the policies of the third parties.

(1) **Training Expenses.** We provide the Initial Training Program for you and your employees for a cost of $7,500.00. Our Initial Training Program takes place in three (3) locations and has four (4) phases. The three (3) locations are (i) Virtual Classroom (ii) Corporate Training Center (currently Cincinnati, OH) and (iii) On-the-Job Training at your location. The only additional costs you pay are your trainees' transportation expenses and food to attend the Initial Training Program. Transportation and food expenses depend on the number of people attending the training and the

mode of transportation.

(2) **Real Property**. You will need an office from which to operate your Garage Kings Business, and a storage facility in which to temporarily store the proprietary products you order from us, our Parent or designated affiliate. We recommend that you use your personal residence as your GK Office Location, and secure additional storage space, if needed, to store your products and equipment. However, if you wish to lease a commercial space to serve as a GK Office Location, we recommend that you lease a commercial space between 700 square feet and 1,000 square feet. If you do not choose to obtain a storage facility, your costs could be as low as $0. In the experience of our existing outlets, the cost to lease such a facility can vary greatly based on region, and typically ranges between $300 and $600 per month.

(3) **Storage Space**. We recommend using your personal residence to serve as your office space. If your home office does not have the capability to store the proprietary products and equipment, then we recommend securing a climate-controlled storage unit between 150 cubic feet and 300 cubic feet within your Territory to store the proprietary products and equipment used in connection with the operation of your Garage Kings Business. The storage unit must be maintained at such temperature that would prohibit the products from freezing.

(4) **Construction, Remodeling and Leasehold Improvements**. We do not recommend that you lease an office location from the outset. However, if you elect to do so, you will likely need to make capital expenditures to modify your office space to the specifications that you desire for your GK Office Location. The cost of construction or leasehold improvements will vary depending on your construction and renovation costs and how many of those costs the landlord will pay (if any).

(5) **Initial Equipment Package**. You will need to purchase an initial equipment package (which consists of a grinder kit and epoxy tooling) from our Parent prior to your Initial Training Program. The amount that you will expend on your initial equipment package will vary depending on the size and type of equipment that you elect to purchase. See Item 10. Third party financing may also be available to qualified candidates, however this too, with all general various leasing or finance fees that you will incur in securing such financing, would likely increase the amounts listed here.

(6) **Initial Product Order**. You will need to purchase an initial inventory of our proprietary products to be used for your Initial Training as well as for your initial customer orders. The amount you will expend on the purchase of our proprietary products is not refundable, unless you can establish that the products were defective. See Item 10.

(7) **GK Work Vehicle and GK Storage Trailer.** You will need to lease or purchase a van/truck ("GK Work Vehicle") and storage trailer ("GK Storage Trailer") that meets our standards and is customized to our specifications. A substantial portion of your Garage Kings Business will be conducted from your GK Work Vehicle, including, without limitation, transporting the equipment, proprietary products and supplies to be used in installing floor coating systems at residential and commercial job site locations within your Territory. This estimate covers the cost of the purchase of a brand-new 16' Box Truck with lift gate and storage trailer. You may use a box truck and/or storage trailer that you currently own, lease or finance, provided that such van and storage trailer meet our then-current specifications.

(8) **Computer Hardware and Software**. You must purchase the required computer hardware, software and Internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we require. Currently, we require that you have access to a computer, 1-2 tablets, a printer, and will need QuickBooks online accounting software in connection with the establishment of your Garage Kings Business. We will assist you in the setup of the QuickBooks account. You must obtain high-speed communications access for your computer system, such as broadband, DSL or other high-speed capacity. We will provide you with an email address which you must use to send and receive all emails relating to your Garage Kings Business. You will be required to operate your franchise on the Operating Systems, currently Thryv, and Chart of Accounts deemed necessary by Corporate.

(9) **Signage**. We will provide you with the design for your vehicle wrap and we require you to affix to your GK Work Vehicle(s) and GK Storage Trailer(s). Our vendor will provide a local vendor who can install the wrap the requisite vehicle. We estimate that you will pay the following to print your vehicle wrap: (i) $4,000 for GK Work Vehicle; (ii) $2,500 for 16 foot GK Storage Trailer; and (iii) $2,000 for 14 foot GK Storage Trailer. In addition to the cost for printing the vehicle wrap, you will be required to pay the cost for having the vehicle wrap professionally affixed to your GK Work Vehicle(s) and GK Storage Trailer(s).

(10) **Wages, Transportation and Lodging during Initial Training**. These estimates include only your out-of-pocket costs associated with attending the in-market initial training program, including travel, meals and applicable wages for you, your GK Business Manager, installers and other personnel. These costs may vary depending on your selection of dining facilities and mode and distance of transportation.

(11) **Insurance**. This estimate reflects the insurance premium for three months of coverage for the insurance policies we require you to obtain and maintain in connection with the operation of your Garage Kings Business. Our insurance requirements are described in Item 8. You should contact your insurance agent and obtain an estimate of your actual insurance costs.

(12) **Advertising and Marketing**. We require you to conduct advertising to generate customer leads for your Garage Kings Business. This estimate reflects the amount you will expend in advertising during your first three months of operation. The advertising that you will conduct to generate leads will include, without limitation, the running of a TV commercial campaign, a direct mail campaign as well as registering for home and other trade shows.

(13) **Epoxy Flooring Installation Licenses**. Our estimate includes the cost of obtaining, if required, a license to professionally install epoxy flooring ("Specialized License"). Not every jurisdiction will require you to secure a Specialized License for the installation of epoxy flooring. We strongly recommend that you verify if the jurisdiction in which your Territory is located requires you to obtain a Specialized License in connection with the operation of your Garage Kings Business. Our estimate does not include the costs to secure local business licenses. The cost of your local permits and licenses will vary substantially depending on the location of the Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.

(14) **Professional Fees**. Actual cost depends on the work done by your accountant and attorney and their rates.

(15) **Additional Funds**. This is an estimate of the additional funds you may need to operate your business during the first three months after you open your Garage Kings Business. We cannot guarantee that you will not have additional expenses in starting the Business. This estimate includes estimated payroll, initial payroll taxes, utilities, vendor, advertising, promotion, ongoing Royalty Fees, National Marketing Fund Contributions, and similar costs during the initial phase of a new business. The expenses you incur during the initial start-up period will depend on factors such as the time of year you open, local economic and market conditions, your experience and business acumen, competition, and the sales level you reach during this initial period. You will incur additional operating expenses in connection with the ongoing operation of your business. If you begin operating your Garage Kings Business with inadequate cash, you may experience a total loss of your investment.

(16) **Total**. In compiling these estimates, we rely on the experience of our Parent's existing licensees in operating concrete floor coating businesses under the Garage Kings name. We do not guarantee that your costs will be the same as those included above, and you may incur additional costs that we have not identified. Your actual costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, your management skill, experience and business acumen, the prevailing wage rate, competition and the sales level you reach during the start-up phase. The costs outlined here are not intended to be a forecast of the actual cost to you or to any particular franchisee. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your market area. Except as provided in Item 10, we, our Parent and affiliates do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your creditworthiness, collateral that you may make available, and the policies of local lending institutions.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Products and Services

You must only offer the products and services that we designate as a part of the Garage Kings System or which we in the future incorporate into the System, unless the sale of such products and/or services is prohibited by local law or regulation or we have otherwise granted you our advance approval. You may not sell any program, product or service which is not a part of the System or which we delete from the System.

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to the brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant.

You must not deviate from these standards and specifications by the use of non-conforming products or offer of unauthorized services, without obtaining our written consent first. We can, and expect to, modify our standards and specifications as we deem necessary. We will provide you notice in the Manual or other methods (such as by e-mail) of any changes in the standards and specifications, and you will be required to comply with any such changes.

Proprietary Products

You must purchase exclusively from us, our Parent or designated affiliate all current and future developed proprietary products, including without limitation: (i) the chemicals, flakes and aggregates that we require you to use for crack repairs and the installation of concrete floor coatings (the "Proprietary Products"); and (ii) our proprietary software (the "Proprietary Software"). The right to purchase and use our Proprietary Products and Proprietary Software lasts only for the duration of the Franchise Agreement.

Troy Rainsberg and Mark Foster have an ownership in interest in our Parent, which owns all of the membership interests in our affiliate GK USA Holdings, the approved supplier for our Proprietary Products and Proprietary Software you are required to purchase. None of our officers own an interest in any third party approved suppliers.

We currently receive no revenues from sales of Proprietary Products or Proprietary Software to franchisees by us, our Parent or a designee, but we reserve the right to receive revenues from these sources in the future.

In the fiscal year ended December 31, 2020, our Parent received $2,190,000 from the sale of Proprietary Products to our franchisees and our Parent's U.S. licensees.

Garage Kings Product Warranty Program

We have established a national product warranty program that guarantees to customers that the proprietary products being used in connection with your installation of our concrete coating systems are free from defects (including, without limitation, delamination, peeling, cracking and/or blistering). The terms and conditions of our national product warranty program are provided in Exhibit D to the Franchise Agreement. You must offer and honor the terms and conditions of our product warranty program to each customer for whom you install a concrete floor coating system using our proprietary products. Our liability under our product warranty program will be limited to the replacement of the defective product. You will be responsible for the costs associated with removing the defective product and reinstalling the replacement product.

Franchisee Installation Warranty

In addition to offering our product warranty program to your customers, you are also required to provide customers with an installation warranty (the form of which is attached as Exhibit E to the Franchise Agreement). Under the installation warranty you are responsible for the costs associated with removing and reinstalling any concrete floor coating system that was improperly installed. These costs also include the costs of the replacement product that was used in the original installation. The warranty period for your installation must mirror the warranty period we offer under our product warranty program for the product used in the installation. For example, if you use our proprietary marbled epoxy for the concrete floor coating installation, then you will provide your customer with a 15-year warranty, which is the period of time that we warrant against any defects in our marbled epoxy products. Your obligations under the franchise installation warranty will survive the termination of your Franchise Agreement.

Approved Suppliers

We may designate ourselves, our Parent, our affiliates or a third party as an approved supplier of the Proprietary Products, Proprietary Software and the required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services that you are required to use in connection

with the operation of our Garage Kings Business. Presently, our affiliate GK USA Holdings, LLC is an approved and exclusive supplier of certain items you must purchase to operate a Garage Kings Business. The approved supplier may also be a supplier that you propose and we approve.

All such approved suppliers must demonstrate, to our continuing reasonable satisfaction, their ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Garage Kings Businesses') needs promptly and reliably; and, must be approved in writing by us (and have not after such approval been disapproved) prior to any purchases by you from any such supplier. All such approved suppliers and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Business within ten days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Business, for which we do not designate a required source of supply. We will provide such specifications in our Manual or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

If we name a supplier for a product or service, you may contract with an alternative supplier if you meet our criteria. You may propose a new or alternative supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request;

2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;

3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at the proposed supplier's expense;

4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Garage Kings Businesses) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion;

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs; and,

6. We will give you notice of our approval or disapproval of the supplier within 30 days.

7. Nothing in the preceding shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We, our affiliate or our designee may be an approved source of supply for any non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us, our Parent or our affiliates. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other Garage Kings franchisees.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the National Marketing Fund (to be expended as provided in this Agreement), if such National Marketing Fund is established. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

We may, in the exercise of our business judgment, enter into supply contracts either for all Garage Kings Businesses or a subset of Garage Kings Businesses situated within one or more geographic regions (each, a "Systemwide Supply Contract"). We may enter in such Systemwide Supply Contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and franchised Garage Kings Business in the United States, or company-owned and franchised Garage Kings Businesses in a designated geographic area, will be required to purchase, use and/or sell. If we do so, then immediately upon notification, you, we and all other Garage Kings Businesses (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the Systemwide Supply Contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

We make no representation that we will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of our business judgment. Currently, we are not a party to any Systemwide Supply Contracts or other exclusive supply arrangements. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources. We currently receive no payments or rebates from any supplier. We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 50% to 60% of your total purchases in establishing your Business, and approximately 20% to 40% of your total purchases in the continuing operation of the Business.

Computer Hardware and Software

You will be required to purchase and install, at your expense, the computer hardware, software (including our Proprietary Software), wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Manual or otherwise (the "Computer System"). The following is a general description of our Computer System that you must purchase and maintain for your Garage Kings Business: 1 desktop computer; 1 printer; 1 – 2 tablets; 1 Microsoft Office current and complete software suite for business; and our Proprietary Software. We reserve the right to designate the make and model of hardware we require you to purchase.

You must also obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer System. The type of, and/or designated supplier for, such software may change from time-to-time. Because information and technology systems are constantly being improved, you must purchase any upgrades, enhancements or replacements to your computer system, computer software (including our Proprietary Software) and personal communication system as we advise, although not more than once a year.

We will initially provide you with our Proprietary Software (which consists of Thryv) at our expense. We will have independent access to the information generated by and/or stored on our software Proprietary Software programs, and use such information to assess whether you may need individual coaching as well as to improve the Garage Kings franchise system as a whole. If we, or our Parent, develops additional Proprietary Software in the future you must purchase such additional software at our then-current rate. See Item 11. In addition, you will be required to pay for any future updates or revisions. We reserve the right to charge you for support services in connection with your use of our Proprietary Software in the future. We do not expect to increase our fees for updates and revisions beyond inflation in the applicable industry segment unless our costs increase due to shortages, catastrophes, strikes, Acts of God, etc.

Insurance

You must maintain the following insurance at your cost during the term of your Franchise Agreement and any renewal thereof:

a. Broad form comprehensive general liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage, product liability and completed operations. This insurance may not have a deductible or self-insured retention of more than $2,500;

b. Broad form coverage on your GK Office Location (which includes the building, equipment, inventory and tools) in an amount adequate to replace them in case of an insured loss, basis of settlement to be replacement cost;

c. Business interruption coverage, actual loss sustained, in amounts sufficient to cover your business rental expenses, maintenance of competent personnel and other fixed expenses for a period of 12 months;

d. Automobile liability insurance (including coverage for your GK Work Vehicle, GK Storage Trailer and all owned, non-owned, leased or hired vehicles with minimum limits of liability in the greater of: (i) the greatest amount required by any applicable federal, state or local law; or (ii) $1,000,000 per occurrence;

e. Employer's liability (with a minimum standard limit of $500,000/$500,000/$500,000), workers' compensation, and any other insurance that may be required by statute or rule of the state or locality in which the Garage Kings Business is located and operated;

f. Any insurance coverage required by the terms of the lease for your GK Office Location; and

g. Any other insurance coverage we may require in the future.

In addition to the required insurance policies listed above, in connection with any construction, renovation, refurbishment or remodeling of the GK Office Location, you shall maintain Builder's

Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

All of the policies must name us, those of our affiliates that we specify, and the respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds and must include a waiver of subrogation in favor of all those parties.

We may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain, and all features and elements thereof, by written notice to you (through a Supplement to our Manual, or otherwise). Upon delivery or attempted delivery of this written notice, you must immediately purchase insurance conforming to any such newly established standards and limits.

Advertising Materials

You must submit to us for our approval, before use or dissemination, copies of all proposed advertising materials you intend to use (except for advertising which we furnish to you under the Franchise Agreement or advertising you have previously submitted and we have approved). Our approval of any of your proposed advertising materials may be withheld for any or no reason. Any advertising materials you submit to us for our review will become our property.

ITEM 9
FRANCHISEE's OBLIGATIONS

These tables list your principal obligations under the Franchise Agreement. They will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligations	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Article 6	Not applicable
b. Pre-opening purchases/leases	Sections 6.01, 6.02, 6.03, 6.04 and 8.08	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 6.04 and 8.01	Items 6, 7 and 11
d. Initial and ongoing training	Sections 7.02 - 7.05	Items 6, 7 and 11
e. Opening	Section 8.01	Item 11
f. Fees	Article 5, Sections 4.03 and 13.04	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Article 8 - 10	Items 8 and 11
h. Trademarks and proprietary information	Articles 12, 14 and 17	Items 13 and 14
i. Restrictions on products/services offered	Sections 3.03 and 8.08	Items 8 and 16
j. Warranty and customer service requirements	Section 8.08	Item 11

Obligations	Section in Franchise Agreement	Item in Franchise Disclosure Document
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Section 8.08	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 6.05 and 6.06	Item 11
n. Insurance	Article 9	Items 6 and 7
o. Advertising	Article 10	Items 6 and 11
p. Indemnifications	Section 8.10	Item 6
q. Owner's participation/management/staffing	Sections 8.07 and 8.17	Items 11 and 15
r. Records and reports	Article 11, Sections 5.05 and 7.07	Item 6
s. Inspections/audits	Sections 8.11 and 11.02	Items 6 and 11
t. Transfer	Article 13	Item 17
u. Renewal	Article 4.02 - Section 4.04	Item 17
v. Post-termination obligations	Article 17	Item 17
w. Non-competition covenants	Article 12	Item 17
x. Dispute resolution	Section 29.04	Item 17
y. Other	Section 30.02 and Exhibit H	Not Applicable

ITEM 10
FINANCING

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

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

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

Pre-Opening Obligations

Franchise Agreement: Before the opening of your Garage Kings Business, we will provide the following assistance and services:

1. Designate your Territory. (Franchise Agreement, Section 3.01)

2. Provide Initial Training (Franchise Agreement, Section 7.02)

3. Specify the electronic and/or written accounting and MIS Systems, procedures, formats and reporting requirements which you will use to account for your Business; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.07)

4. Provide you with access to an electronic copy of the Confidential Operating Manual (the "Manual"). You must strictly comply with the Manual in operating your Business. We can change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01)

5. Furnish you with any written specifications for required products and services (Franchise Agreement, Section 8.08)

6. Sell you our proprietary products and the equipment to be used in connection with your installation of our proprietary products. See Item 6. (Franchise Agreement, Section 8.08)

7. Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)

8. If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your franchised Business, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your franchised Business may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues. (Franchise Agreement, Section 7.08)

Continuing Obligations

Franchise Agreement: During the operation of your Garage Kings Business, we will provide the following assistance and services:

1. Advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Garage Kings Business, including new developments and improvements in equipment, products, and installation. (Franchise Agreement, Section 7.01.)

2. Training programs, seminars, franchisee meetings and other related activities regarding the operation of the Garage Kings Business as we may conduct for you or your personnel generally, which may be mandatory for you, your GK Business Manager, and other personnel. (Franchise Agreement, Sections 7.04 and 7.05.)

3. At your request or if we determine it is necessary, additional on-site training at your Garage Kings Business. You must pay our then–current on-site training fee, as well as reimburse us for each trainer's expenses. (Franchise Agreement, Section 7.03)

4. Administration of the National Marketing Fund. (Franchise Agreement, Section 10.01)

5. Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks (including settlement amounts), so long as you have fully complied with the terms of the Franchise Agreement. (Franchise Agreement, Section 14.05.)

6. Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7.08)

Grand Opening Advertising: We will provide grand opening advertising design, including for direct mail and television commercials, for your Garage Kings Business in an amount that we determine in our sole discretion, at least thirty (30) days prior to you commencing operations. In addition to the Grand Opening Advertising that we will provide, you are required to register for local home shows, home improvement expos and conduct other forms of local advertising to promote your business and secure customers.

National Marketing Fund: We intend to establish a National Marketing Fund in the future. You will be required to contribute up to 3% of your Business' weekly Gross Revenues (the "Fund"). Garage Kings Businesses which we or our affiliates have or may in the future establish and operate will not contribute to the Fund.

We will direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. The Fund is intended to maximize the general public's recognition and acceptance of the Proprietary Marks and improve the collective success of all Garage Kings Businesses operating under the System. The Fund may be used to satisfy the costs of maintaining, administering, directing and preparing international, national, regional or local advertising. This includes: digital, television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; public relations activities; employing advertising agencies; social media initiatives; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of Garage Kings website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a

third party facility for customizing local advertising materials; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; other activities that we believe are appropriate to enhance, promote and/or protect the System; engaging advertising agencies to assist in any or all of the above activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other public relations and advertising agency fees; the costs of our personnel and other departmental costs for advertising that we administer or prepare internally; presenting refresher training programs; and/or to offset the cost of an annual meeting of our franchisees. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our website (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Garage Kings brand and the franchise opportunity.

In administering the Fund, we and our designees will not be required to make expenditures for you that are equivalent or proportionate to your contribution or to make sure that any particular franchisee or Garage Kings Business benefits directly or pro rata from the placement of advertising. We will not be obligated to spend any amount on advertising in your area or territory. The Fund will not be a trust and we will not be a fiduciary.

We may, but have no obligation to, maintain all sums you pay to the Fund be maintained in a separate account from our general funds, but we may not use these amounts, under any circumstance, for any purposes other than those provided for in the Franchise Agreement. We may reimburse ourselves out of the Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Fund and advertising programs for you and the System. The Fund and its earnings will not otherwise benefit us. The Fund is operated solely as a conduit for collecting and expending the National Marketing Fund Contributions as outlined above.

We intend to spend most contributions to the Fund for advertising purposes during the fiscal year in which the contributions are made. If we spend more than the amount in the Fund in any fiscal year (in addition to any money we have to spend because we did not spend all the money in the Fund during the year before), then we can reimburse ourselves from the Fund during the next fiscal year for all excess expenditures during the preceding fiscal year, with interest. If we spend less than the total in the Fund during any fiscal year, we can either spend the unused money during the next fiscal year or we can rebate all or a portion of the unused money to franchisees on a proportionate basis for them to spend on local advertising and promotion. We will prepare an annual statement of the operations of the Fund that will be made available to you if you request it. We are not required to have the Fund statements audited.

We can use whatever media, create whatever programs and allocate marketing funds to whatever regions or localities we consider appropriate. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local advertising expenditures if, in our judgment, our international, national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Fund contributions collected from all Garage Kings franchisees and company-owned units is insufficient to sustain a meaningful regional or international, national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned units on a proportionate basis. You must spend any rebate on the types of local advertising and media that we determine (or, if we direct, in accordance with the local advertising and promotion requirements of the Franchise Agreement) according to a plan and budget we review and approve in advance. You must document all rebate advertising expenditures to us in a monthly rebate advertising expenditure report form.

Although the Fund is intended to be perpetual, we may terminate the Fund at any time. The Fund will not be terminated until all monies in the Fund have been spent for advertising purposes or returned to contributors on a pro rata basis. If we terminate the Fund, we have the right to reinstate it at any time and you must again contribute to the Fund. Any reinstated Fund will be maintained as described above.

Local Advertising: You must, during the first two years of operation, spend at least 10% of your Business' Gross Revenues for local advertising. For the remaining years of your Initial Term or any Renewal Term, you must spend at least 5% of your Business' annual Gross Revenues for local advertising. We must approve all advertising before you use it. On or before January 15th of each year, and at any other times that we may require, you must furnish to us copies of all statements, invoices and checks issued during the preceding year showing that you have spent the required amounts for local advertising.

Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our approval before you may use it. We will have 10 business days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

Regional Advertising Cooperative: There are currently no advertising cooperatives. We may, from time to time, establish, change, merge or dissolve an advertising cooperative (each, an "**Advertising Cooperative**") for a geographic area in which 2 or more Businesses are located, or we may approve of the formation of an Advertising Cooperative by our franchisees. If we form an Advertising Cooperative for your area, we will notify you in writing of the starting date, the amount of your Advertising Cooperative contributions and the rules, regulations and bylaws that will govern your Advertising Cooperative. Your contributions to a Regional Advertising Cooperative will not be less than 1% or more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the bylaws of the Cooperative. You will be entitled to a credit against your minimum local advertising and promotion requirement for contributions made to an advertising cooperative; provided, however, that if your contributions to a Cooperative are less than your local advertising requirement, you shall nevertheless spend the difference locally. We will determine the area of each Advertising Cooperative based on an area that we consider likely to be able advertise effectively on an Advertising Cooperative basis. If the Advertising Cooperative will operate according to written documents, we must approve of these documents and a copy of the Advertising Cooperative documents applicable to the geographic area in which your Garage Kings Business will be located will be provided to you if you request it. Each Regional Advertising Cooperative may determine its own voting procedures; however, each company-owned Garage Kings Business will be entitled to one vote in any Regional Advertising Cooperative.

Other Advertising Information: There is no obligation for us to maintain any advertising program or to spend any amount on advertising in the area where your Garage Kings Business is located (other than the amount we elect to expend on conducting grand opening advertising for your Business). We currently advertise using print, radio and television, with local, regional, national and international coverage. We may employ both an in-house advertising department and national or regional advertising agencies. You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within 10 business days after receiving your proposed advertising material, the material is disapproved.

Website / Intranet / Social Media: We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the Garage Kings System. We may

establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Business a "click through" subpage at our website for the promotion of your Garage Kings Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your "click through" subpage. We will specify the content, frequency and procedure of these in our Manual. Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Garage Kings Businesses – also be devoted in part to offering Garage Kings Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we reserve (see Item 12). You may not maintain your own website or mobile application; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your franchised Garage Kings Business; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Garage Kings" name or any confusingly similar name.

We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Snapchat, Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We may, but have no obligation to, grant you editor's rights to update the information on and post comments to the Garage Kings profiles that we create on various social media platforms. If we grant you such editor's rights, you must obtain our prior written approval (which we can withhold for any reason or no reason) before updating our social media page(s) and/or publishing posts to such social media pages. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Garage Kings website we establish and maintain, including all materials you may furnish to us as described above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site shall vest exclusively in us.

Training:

Initial Training Program

Our initial training program ("Initial Training Program") is comprised of three components: (i) virtual classroom training, in person training at our Training Center and (iii) on-the-job Training, which we will provide at a cost of $7,500.00 to you (if you are an individual), your Operating Principal, GK Business Manager, salespeople and installers (except, as provided below, in instances where you ask us to provide our Initial Training Program for additional or replacement personnel). You, your Operating Principal, GK Business Manager and installers must successfully complete to our satisfaction, all components of our Initial Training Program.

Our Initial Training Program is encompasses Product and Installation Training, Sales Training, Business Operations Training and Marketing Training. Each of these are taught in a combination of Virtual and In-Person trainings at our Training Center (Columbus, Ohio). Upon completion of your Initial Training you will be ready for your Grand Opening of your business. During the first four (4) weeks of your opening we

will send a trainer to your location to provide more hands-on training. These visits last 2-5 days depending on the franchisee's needs.

The Initial Franchise Fee includes the cost of the Initial Training Program for you (if you are an individual), your Operating Principal, your GK Business Manager and installers. You must also pay for all expenses your trainees incur while attending any training program, including costs of travel, lodging, meals and wages.

The Initial Training Program is currently conducted by our Staff and Trainers. Specifically, the technical trainers are David Stevens, who had 41 years of relevant experience and Jed Bettelon, who has 16 years of relevant coatings experience. We reserve the right to make changes in our training staff as we deem necessary and advisable without prior notice. The instructional materials used in the initial training consist of our Manual, marketing and promotion materials, and any other materials that we believe will be beneficial to our franchisees in the training process.

TRAINING PROGRAM

Subject	Hours of Classroom Instruction	Hours of On-the-Job Training	Location
Marketing	3	0	Online Course
Business Operations	16	0	Online/Training Center
Sales	8	0	Online Course
Product Information	8	8	Online/Training Center
Trailer Setup and Equipment	8	4	OnSite/Training Center
Proper Use of Equipment and Safety Training	8	4	OnSite/Training Center
Crack Repair	4	2	OnSite/Training Center
Concrete Flooring Installation	16	24	OnSite/Training Center
TOTALS	**71**	**42**	

The entire Initial Training Program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained.

We maintain training requirements which will change and evolve but will be applied system-wide. You must attend and successfully complete periodic or annual corporate training programs which are required of all franchisees.

Additional On-Site Training or Assistance

Aside from the on-site training that we provide during the Initial Training Program, you may request additional on-site training or assistance at any time in accordance with guidelines we may specify in the Manual or otherwise. We will not be obligated to provide such additional on-site training or assistance, but

if we elect to do so, or if we determine that additional on-site training is necessary for you, you will be required to pay the then-current on-site training fee then being charges to franchisees, due thirty (30) days after billing, plus reimburse us for the costs of travel, lodging and meals incurred by our trainers in connection with same. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

On-Going Training

We may from time to time develop additional training programs which you (if you are an individual), your Operating Principal, your GK Business Manager and/or installers must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or future developed media). We reserve the right to charge our then-current training fees for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other expenses.

Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Garage Kings operators on a regional and/or national basis, which meetings shall not occur more frequently than annually. We will determine the duration, curriculum and location of these Franchisee Meetings. We will choose the location for the franchisee meeting, which may be our headquarters, a conference center or a resort or hotel close to our headquarters. We will not be required to hold such meetings unless we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you, your Operating Principal, your GK Business Manager, installers and/or other personnel. We reserve the right to charge for such Franchisee Meeting, and you shall pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

Field Support Services

After you have opened your Garage Kings Business, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

Confidential Operating Manual: Our Confidential Operating Manual is available electronically. The Table of Contents of our Confidential Operating Manual is attached to this Disclosure Document as Exhibit F. Our Confidential Operations Manual consists of approximately 170 total pages.

Site Selection: You must assume all costs, liabilities, expenses and responsibility for locating and obtaining: (i) a location for your GK Office Location; (ii) a van/truck for your GK Work Vehicle to, among other things, transport our proprietary products to be used in installing concrete flooring systems for residential and commercial clients located within your Territory; and (iii) a trailer for your GK Storage Trailer to temporarily store the belongings of your clients while you install the concrete flooring system using our proprietary products. You may use your personal residence as your GK Office Location, provided

it is located within your Territory, no more than one hour's driving time from the farthest boundary of your Territory and capable of accepting delivery of the supplies and products (including, our proprietary products) necessary to operate your Garage Kings Business. You can lease or purchase your GK Work Vehicle and GK Storage Trailer, so long as they meet our standards and are customized to our specifications.

Opening: We estimate it will take you approximately 60-75 days from when you execute the Franchise Agreement to commence operating your Garage Kings Business. This time may be shorter or longer depending on the time necessary to obtain your GK Office Location, GK Work Vehicle, GK Storage Trailer and securing Training Clients. You must open the Business and commence operations within 120 days from the effective date of the Franchise Agreement.

The typical length of time between the signing of the Franchise Agreement and the opening of your Garage Kings Business is the same as for any individual franchisee.

Technology Requirements: Before the opening of your Garage Kings Business, you must procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Manual or otherwise (the "Computer System"). The following is a general description of our Computer System that you must purchase and maintain for each Business: 1 desktop computer; 1 printer; 1 – 2 tablets; 1 Microsoft Office current and complete software suite for business; and, our Proprietary Software. We expect that the Computer System will cost approximately between $500 and $3,000.

You must obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer System. We will provide you (and any of your personnel, whom we designate) with a garagekings.com email address and cellular trackable phone number that should only be used in connection with the operation of your Garage Kings Business.

We will initially provide you with our Proprietary Software at our expense. You must purchase from us, our Parent or designated affiliate, as applicable, new, upgraded or substitute Proprietary Software whenever we determine to adopt them system- wide, at the prices and on the terms that we or such third-party vendor establish, but you will not be required to do so more than once in any calendar year. You agree to use any software support services that, in the future, we provide, or which are provided on our behalf by a third-party supplier we designate. We reserve the right to charge you for software support services in the future.

You must, at your expense, keep your Computer System in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you must install at your own expense the additions, modifications, substitutions and/or replacements to your computer hardware, software, telephone and power lines and other computer facilities as we direct, on the dates and within the times we specify in our Manual or otherwise.

ITEM 12
TERRITORY

Franchise Agreement

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

designated Territory, within which you are restricted to operating your Garage Kings Business. Your Territory will be defined by zip codes and will contain approximately 100,000 single family owner-occupied homes. To define your Territory, we use mapping software that pulls data from the U.S. Census Bureau. We will describe your Territory in detail in Exhibit A to your Franchise Agreement.

You must operate your business from an office location within your Territory (the "GK Office Location") that it is capable of accepting delivery of the supplies and products (including, our proprietary products) necessary to operate your Garage Kings Business. We recommend that you use your personal residence as your GK Office Location; however, you may lease a commercial office space for your GK Office Location. Your Territory and the address of your GK Office Location will be identified on Exhibit A to your Franchise Agreement.

Your Business may only offer and sell its products and services from your GK Office Location and only to customers within the Territory. Your Business may not sell any products or services through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; catalogs; telemarketing or other direct marketing sales; or, any other channel of distribution except for your franchised Business.

While the Franchise Agreement is in effect, we and our Parent will not, in your Territory, operate a company-owned Garage Kings Business of the type franchised, or grant a franchise for a similar or competitive business, except as described below. Outside the Territory, we and our Parent can operate any number of Garage Kings Businesses, and/or authorize others to operate them, at any location, including locations that may be near, but not within, the Territory.

We and/or our Parent may engage in any type of business activity in or outside the Territory except as we are restricted as described in the preceding paragraph, including without limitation, selling our proprietary products as part of a DIY (Do-It-Yourself) Kit whether on a retail or wholesale basis. The Franchise Agreement does not confer upon you any right to participate in or benefit from any other business activity, whether it is conducted under the Proprietary Marks or not. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location, including within your Territory, so long as the other business does not sell under the Proprietary Marks the type of products or services which your Garage Kings Business offers and sells, except as permitted below. You will receive no compensation for these businesses' sales.

Only we and/or our Parent have the right to sell within and outside your Territory, under the Proprietary Marks, all products or services and/or their components or ingredients -- including those used or sold by your Garage Kings Business -- through any method of distribution other than a Garage Kings Business situated within your Territory, including the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; telemarketing or other direct marketing sales; television sales (including "infomercials"); or, any other channel of distribution except for a Garage Kings Business. You will receive no compensation for our or our Parent's sales through alternative distribution channels.

Both within and outside the Territory, only we and/or our affiliates have the right to sell Garage Kings System products and services to national, regional and institutional accounts. "National, Regional and Institutional accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (for example): business entities with offices or branches situated both inside and outside of your Territory; government agencies, branches or facilities; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts, which may include facilities within your Territory. If we receive orders for any Garage Kings products or services calling for delivery or performance in your Territory as a

result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill the orders at the price we agree on with the customer or to give you the opportunity to fulfill the orders at the price we agree on with the customer. If we give you the opportunity to fulfill an order and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Garage Kings franchisee may serve the customer within your Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are conducted on a case-by-case basis.

We may purchase, merge, acquired, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately near it. You will receive no compensation for these activities.

Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

We and our Parent have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

There is no minimum sales quota. During the term of your Franchise Agreement, there are no circumstances when we can alter your Territory. You have no options, rights of first refusal or similar rights to acquire additional franchises with the territory or contiguous territories.

We and/or our Parent may engage in any type of business activity in or outside the Territory except as we are restricted as described in the preceding paragraph, including without limitation, selling our proprietary products as part of a DIY (Do-It-Yourself) Kit whether on a retail or wholesale basis. The Franchise Agreement does not confer upon you any right to participate in or benefit from any other business activity, whether it is conducted under the Proprietary Marks or not. For example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location, including within your Territory, so long as the other business does not sell under the Proprietary Marks the type of products or services which your Garage Kings Business offers and sells, except as permitted below. You will receive no compensation for these businesses' sales.

Only we and/or our Parent have the right to sell within and outside your Territory, under the Proprietary Marks, all products or services and/or their components or ingredients -- including those used or sold by your Garage Kings Business -- through any method of distribution other than a Garage Kings Business situated within your Territory, including the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; mail order; catalogs; telemarketing or other direct marketing sales; television sales (including "infomercials"); or, any other channel of distribution except for a Garage Kings Business. You will receive no compensation for our or our Parent's sales through alternative distribution channels.

Both within and outside the Territory, only we and/or our affiliates have the right to sell Garage Kings System products and services to national, regional and institutional accounts. "National, Regional and

Institutional accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (for example): business entities with offices or branches situated both inside and outside of your Territory; government agencies, branches or facilities; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts, which may include facilities within your Territory. If we receive orders for any Garage Kings products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill the orders at the price we agree on with the customer or to give you the opportunity to fulfill the orders at the price we agree on with the customer. If we give you the opportunity to fulfill an order and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other Garage Kings franchisee may serve the customer within your Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are provided in our Manual.

We may purchase, merge, acquired, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Proprietary Marks regardless of the location of these businesses and/or facilities, which may be within the Territory or immediately near it. You will receive no compensation for these activities.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and other indicia of origin which we designate, including the Proprietary Marks described in Item 1 and below. These Proprietary Marks may be used only in the manner we authorize and only for the operation of your Garage Kings Business.

The principal commercial symbol which our affiliate GK USA Properties LLC will license to you appears on the cover of this disclosure document. "Proprietary Marks" means our trademarks, service marks, symbols, logotypes and trade names.

The table below provides a description of the principal Proprietary Marks which our affiliate GK USA Properties LLC will license to you in operating your Garage Kings Business, which are registered with the United States Patent and Trademark Office.

MARK	STATUS	REGISTRATION NUMBER	REGISTRATION DATE
GARAGE KINGS	Registered	5,866,398	9/24/2019
GARAGE KINGS	Registered	5,860,954	9/17/2019
GARAGE KINGS	Registered	5,866,400	9/24/2019

MARK	STATUS	REGISTRATION NUMBER	REGISTRATION DATE
GARAGE KINGS	Registered	5,860,955	9/17/2019
GARAGE KINGS	Registered	6,054,281	5/12/2020
	Registered	5,860,956	9/17/2019
	Registered	5,866,401	9/24/2019
	Registered	5,866,402	9/24/2019
	Registered	5,866,403	9/24/2019

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. There are no agreements which significantly limit our rights to use or license the Proprietary Marks. There are no infringing uses or senior trademark rights known to us that can materially affect your use of the Proprietary Marks in any other state in which the franchised Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Trademark. All required declarations and renewals have been filed with the U.S. Patent and Trademark Office on a timely basis to maintain the subsisting registrations and to complete the registration process for the Pending Mark.

Our affiliate, GK USA Properties, LLC, has licensed us the right to use the Garage Kings System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a license agreement dated as of January 26, 2021 (the "**License Agreement**"). The term of the License Agreement is indefinite but either party may terminate the License Agreement upon 30-days' notice. If

either party terminates this Agreement, GK USA Properties, LLC will assume all of our rights and obligations under any franchise agreements then in effect.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You are not permitted to contest our interest in the Proprietary Marks and/or in other System trade secrets. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Neither you nor your principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Proprietary Marks or assist others to do so. In entering into the Franchise Agreement, you are required to acknowledge that our names and Proprietary Marks are valid and are our sole property. You cannot, either during or after the term of the Franchise Agreement, do anything, or aid or assist any person to do anything, which would infringe upon, harm, or contest our rights in any of our Proprietary Marks. Further, you may not hinder or prevent us from using or franchising our names and marks in any jurisdiction. All goodwill which may arise from your use of our Proprietary Marks is and will remain our sole and exclusive property and will inure solely to our benefit.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents: We hold no patents and we have no pending patent applications that are material to the franchise.

Copyrights: We have not registered any copyrights with the United States Copyright Office. In addition, we claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Garage Kings Confidential Operating Manual. There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this disclosure document, we are unaware of any infringing uses

of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the franchised Garage Kings Business will be located. Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this disclosure document.

Confidential Information:

You may never – during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

Under the Franchise Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit G to the Franchise Agreement):

1. Before employment or any promotion, your Operating Principal, GK Business Manager and all other managerial personnel; and

2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the Garage Kings System, the Manual, and many other matters specified in the Franchise Agreement.

You must irrevocably license to us all intellectual property, services, products, equipment, programs, sales, marketing, advertising and promotional programs, campaigns or materials, and sales methods you develop for the Business. We will not be liable to you in any way because of this license.

ITEM 15
OBLIGATION TO PARTICIPATION IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Franchise Agreement

You (or your Operating Principal, if you are a business entity) must personally supervise the operation of your Garage Kings Business, unless we permit in writing. You must devote the necessary time and best efforts (or hire a manager whom we approve who will devote the necessary time and best efforts) for the proper and effective operation of the Business. If we license you to operate more than one Garage Kings Business, you must devote the time necessary for the proper and effective operation of all your Businesses.

If you are an individual, you must serve as Operating Principal and if you are an entity franchisee, you must designate an individual who either owns a majority interest in the franchised Business or, where there is no majority owner, who we otherwise approve of in writing. The Operating Principal, who will have complete decision-making authority with regard to your franchised Garage Kings Business and have authority to in all respects act on your behalf, will be the sole individual with whom we will be required to communicate when we seek to communicate with you. You must inform us in writing of your Operating Principal and

any replacement Operating Principal in advance. We must approve your Operating Principal before you appoint them. Either you (if the franchisee is an individual) or your Operating Principal (if the franchisee is an entity) must complete the Initial Training Program to our satisfaction. After an Operating Principal's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting Operating Principal within 10 days.

In addition, if you are an individual, you may serve as or designate a GK Business Manager. If you are an individual, we recommend that you personally serve as your own GK Business Manager. An entity franchisee must designate a GK Business Manager, which can be your Operating Principal. The GK Business Manager, who will have day-to-day management responsibility for your Garage Kings Business, will exercise on-premises supervision and personally participate in the direct operation of the Business. You must inform us in writing of your GK Business Manager and any replacement GK Business Manager in advance. We must approve your GK Business Managers before you appoint them. Your GK Business Manager is required to attend and successfully complete the Initial Training Program before commencing his/her obligations. After a GK Business Manager's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting GK Business Manager within ten (10) days.

If the franchisee is a business entity, the GK Business Manager need not have any equity interest in the franchisee entity.

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 Garage Kings 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. In connection with your sale and installation of our concrete floor coating system, you are required to offer customers a warranty that protects against the defective installation of our proprietary products (the "Installation Warranty"). Under this Installation Warranty you are responsible for removing and reinstalling any concrete floor coating system that was not installed in strict compliance with our standards and specifications. The precise terms of the Installation Warranty that you must issue to your customers are provided in our form of Installation Warranty, which is attached as Exhibit E to the Franchise Agreement.

If you would like to sell any product, service or program which is not a part of the Garage Kings 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 Garage Kings System (though we will not be required to, but may, authorize it for sale at one or more other Garage Kings Businesses). 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.

You must maintain in sufficient supply and use and sell only the products, materials and supplies that conform to our standards and specifications. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent.

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

In addition to modifications of the Garage Kings System, we may at times co-brand one or more business concepts which we or our affiliates operate with Garage Kings System Businesses and/or offer for sale in Garage Kings Businesses, products sold in businesses operated by us and/or our affiliates (collectively, "**Co-Branding**"). This Co-Branding may involve changes to the Proprietary Marks, and may require you to modify your GK Work Vehicle and GK Storage Trailer and the fixtures, equipment, signs and trade dress required to be used in and/or on your GK Work Vehicle and GK Storage Trailer. If you receive written notice of our institution of Co-Branding, you must implement the Co-Branding on your GK Work Vehicle and GK Storage Trailer. The Franchise Agreement does not place any limit on our rights to require you to make changes for Co-Branding.

You may only sell Garage Kings System products and services at retail from your Garage Kings Business, and you may not engage in the wholesale sale and/or distribution of any Garage Kings product, service, equipment or other component, or any related product or service.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION OF 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.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.01	10 years, unless terminated earlier.
b. Renewal or extension of the term	4.02	Two successive 5-year terms, if you are in good standing and comply with renewal conditions procedures.
c. Requirements for franchisee to renew or extend	4.03	Written notice; current with all obligations/full compliance with Franchise Agreement; update the vehicle wrap for your GK Work Vehicle and GK Storage Trailer, if we require; sign general release; your right to renew lease for the site or lease an acceptable substitute location, execution of our then-current form of renewal franchise agreement; payment of renewal fee; compliance with training requirements; and, any other conditions that we require of renewing franchisees. You may be asked to sign a new franchise agreement that contains terms and conditions materially

Provision	Section in Franchise Agreement	Summary
		different from those in your previous Franchise Agreement, except that the boundaries of your Designated Territory will remain the same; you will have no addition right to renew; and, the Royalty Fee on renewal will not be greater than the Royalty Fee that we then impose on similarly situated renewing franchisees.
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with "cause"	16.01, 16.02 and 16.03	We can terminate if you default.
g. "Cause" defined – curable defaults	16.03	Curable defaults include, without limitation, non- payment of fees; failure to timely submit requisite financial and non-financial reports or other information; offer or sale of unauthorized programs, products or services; failure to operate Business during the days and hours we specify; failure to maintain trade accounts; engage in business under a confusingly similar trademark; fail to pay taxes when due; failure to indemnify us as required; violation of advertising restrictions; violation of laws in connection with the operation of your Business; hire employees not eligible to work in the U.S; failure to maintain and operate Business in good, clean and sound manner; Guarantor's failure to comply with Guaranty; failure to devote time and best efforts to the operation of the Franchised Business; failure to comply with new or changed System requirements; failure to satisfy or appeal a judgment against you within 30 days; failure to obtain executed Confidentiality/Non-Competition Agreements as required; failure to procure and maintain requisite insurance policies; failure to obtain our consent when required;

Provision	Section in Franchise Agreement	Summary
		failure to maintain or observe our prescribed standards, specifications or procedures; or failure to meet any other requirements of the Franchise Agreement not listed in Sections 16.01 and 16.02; with the exception of non-payment defaults, you typically have 30 days to cure a default.
h. "Cause" defined – non-curable defaults	16.01	Your Franchise Agreement may be terminated automatically and without notice from us upon occurrence of any of the following: general assignment for benefit of creditors; bankruptcy; appointment of a receiver; composition with creditors; if a final judgment remains unsatisfied or of record for 30 days or longer; dissolution; levy/execution on assets; foreclosure of a lien or mortgage against the GK Office Location, GK Work Vehicle or GK Storage Trailer that is not dismissed in 30 days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.
	16.02	Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure upon occurrence of any of the following: failure to commence operations of your Business within the required time; cease to operate or otherwise abandon your Business; plea to or conviction of a felony; the omission or misrepresentation of material fact in the information you provide to us; unauthorized transfer; failure to comply with in- term covenants; failure to obtain execution of additional covenants; lose possession of GK Office Location, GK Work Vehicle and/or GK Storage Trailer and unable to secure a replacement; cease to operate Business; failure

Provision	Section in Franchise Agreement	Summary
		to successfully complete Initial Training after being given the opportunity to repeat the Initial Training; maintaining false books or records; misuse or unauthorized use of the Proprietary Marks and Confidential Information; 3 or more repeated defaults within a 12 month period; failure to comply with applicable laws relating to Business; omission or misrepresentation of a material fact; failure to maintain financial reports; understatement of 5% or more for any month within a reporting period and/or any entire reporting period; refusal to permit us to conduct an inspection, operational or financial audit; repeat same default within 6 months from curing it; willfully misrepresent or failure to make material disclosure required by any governmental or quasi-governmental authority; engage in conduct that subjects you and/or us to ridicule or derision; breach of our advertising standards and failure to cure in 3 days; divert or sell proprietary products and/or services to third parties; wrongful use of our funds or property, or funds collected for purposes of taxes, FICA, insurance or benefits; attempted or actual interference with any of our contractual relationships; operate the Franchised Business in any way that jeopardizes the life, health or safety of the general public, your customers or employees; misuse of our Confidential Information or Proprietary Marks; uncured default under any agreement between you and any lending institution, lessor or sublessor of your GK Office Location, GK Work Vehicle or GK Storage Trailer; engage in any other conduct that permits us to immediately terminate you upon notice.
i. Franchisee's obligations on termination/non-renewal	17.01	You must: (i) pay all amounts due to us or our affiliates; (ii)

Provision	Section in Franchise Agreement	Summary
		discontinue use of our Proprietary Marks and Confidential Information; (iii) de-identify your GK Office Location, GK Work Vehicle and GK Storage Trailer; (iv) return the Manual and all other proprietary materials; (v) cancel assumed names using our Proprietary Marks; (vi) pay all losses and expenses we incur as a result of your default or the termination (if applicable); (vii) execute all agreements necessary to effectuate termination; (viii) change or transfer the Business phone numbers to us or our affiliate; (ix) comply with confidentiality restrictions and the post-termination non-competition covenants; and (x) surrender to us all computer software, data storage disks/tapes and other electronic media used in the operation of your Business. We have an option to acquire your assets.
j. Assignment of contract by franchisor	13.01	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	13.02	Includes the sale, assignment, sharing, sublicense, division, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Business or you (if you are a business entity), whether voluntarily or involuntarily, directly or indirectly or by operation of law or otherwise.
l. Franchisor approval of transfer by franchisee	13.02	We have the absolute right to approve all transfers, but will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	13.04	You must pay all amounts due us or our affiliates, cure any existing defaults, sign a general release, pay a transfer fee, furnish us with a copy of the assignment/transfer agreement and execute documents evidencing liabilities prior to transfer. Transferee must meet our established qualifications as listed, satisfactorily complete training,

Provision	Section in Franchise Agreement	Summary
		sign current Franchise Agreement, sign a guaranty obtain all permits, licenses and consents to operate the Business and provide proof of its ability to secure a GK Office Location, GK Work Vehicle and GK Storage Trailer. Each owner and guarantor of transferee must interview with us and comply with our non-competition restrictions. The Total Sales Price for the assignment/transfer must, in our business judgment, be acceptable to us. You and transferee (including each of your respective owners and guarantors) must execute our form of general release.
n. Franchisor's right of first refusal to acquire franchisee's business	13.06	We have the right to match any bona fide offer for the franchisee's interest in the Franchise Agreement, assets or ownership interest.
o. Franchisor's option to purchase franchisee's business	18.01	We have the right, on termination or expiration of your Franchise Agreement, to purchase all or a portion of the assets of your Business.
p. Death or disability of franchisee	13.05	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Business if it provides an acceptable Operating Principal and GK Business Manager. This Operating Principal and GK Business Manager must successfully complete our next Initial Training Program and assume full-time operation of the franchise within 1 month of your death or disability. From the date of your death or disability until an Operating Principal assumes full time control, we can operate your Business, but need not do so. See Item 6. Alternatively, the Estate may sell the franchise in accordance with the requirements described in m. above.
q. Non-competition covenants during the term of the franchise	12.02	No diversion of any customer to any competitor and no interest or

Provision	Section in Franchise Agreement	Summary
		involvement with any competing business anywhere in the world.
r. Non-competition covenants after the franchise is terminated or expires	12.02	For a 2-year period following the termination or expiration of the Franchise Agreement: no diversion of any customer to any competitor; and, no interest (can own 5% or less) or involvement with any competing business within 25 miles of the perimeter of your Territory or any business in the System.
s. Modification of the agreement	24.01	No modifications to the Franchise Agreement, unless mutually agreed to, in writing, by the parties.
t. Integration/merger clause	23.01	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any other promises may not be enforceable, except that the Franchise Agreement does not disclaim any representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	29.04	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. If still unresolved, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Wilmington, Delaware. You must notify us of any potential disputes. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation. Any claims that are not resolved through mediation shall be submitted to binding arbitration, which will take place in Wilmington, Delaware.
v. Choice of forum	29	All claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless

Provision	Section in Franchise Agreement	Summary
		settled) in Wilmington, Delaware (subject to state law).
w. Choice of law	29.03	Delaware law applies. Your state law may supersede this provision and it may not be enforceable in your state. (subject to state law)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Troy Rainsberg, 1831 Delaware Avenue, Wilmington, Delaware 19806, and 302-330-2219, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years December 31, 2018 to December 31, 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2018	2	16	+1
	2019	16	22	+6
	2020	22	18	0
Company-Owned	2018	0	0	0
	2019	0	0	0

	2020	0	0	0
Total Outlets	2018	2	16	+14
	2019	16	22	+6
	2020	22	18	-4

* The outlets represented in this Table reflect both our predecessor's U.S. based franchisee and licensees who currently operate a Garage Kings Business under the Proprietary Marks.

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)
For Years December 31, 2018 to December 31, 2020

State	Year	Number of Transfers
Total	2018	0
	2019	0
	2020	0

Table No. 3
Status of Franchised Outlets
For Years December 31, 2018 to December 31, 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
California	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	1	2
	2020	2	0	0	0	0	0	2
Colorado	2018	0	2	0	0	0	0	2
	2019	2	2	0	0	0	0	4
	2020	4	0	1	0	0	1	2
Florida	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	1	1
	2020	1	0	1	0	0	0	0
Georgia	2018	1	0	0	1	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Illinois	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
Indiana	2018	0	1	0	1	0	0	0
	2019	0	1	0	1	0	0	0
	2020	0	0	0	0	0	0	0
Kentucky	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Michigan	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Minnesota	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
New Jersey	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
New York	2018	1	1	1	0	0	0	1
	2019	1	1	1	0	0	0	1
	2020	1	0	0	0	0	0	1
North Carolina	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Ohio	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Oklahoma	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Pennsylvania	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	1	1
	2020	1	0	0	0	0	0	1
South Carolina	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Tennessee	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	0
	2020	0	0	0	0	0	0	1
Utah	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	0	3
	2020	3	0	1	0	0	0	2
Washington	2018	0	1	0	0	0	1	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Total	2018	2	1	0	2	0	1	1
	2019	1	13	1	1	0	5	22
	2020	22	0	4	0	0	1	18

* The outlets represented in this Table reflect our franchised outlets in addition to our Parent's U.S. based licensees who currently operate a Garage Kings Business under the Proprietary Marks.

Table No. 4
Status of Company-Owned Outlets
For Years December 31, 2018 to December 31, 2020

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
Total	**2017**	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5
Projected Openings
As of December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Colorado	0	1	0
Florida	0	2	0
Georgia	0	1	0
Illinois	0	2	0
Kentucky	0	1	0
Missouri	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Texas	0	1	0
Virginia	0	1	0
West Virginia	0	1	0
Total	**0**	**13**	**0**

A list of our franchisees and our Parent's licensees currently operating under a business under the Garage Kings name is provided in Exhibit D (List of Franchisees) to this Disclosure Document. A list of our franchisees and Parent's licensees whose franchise or license agreement was terminated, canceled or not renewed or who otherwise voluntarily or involuntarily ceased to do business under their respective franchise or license agreement is provided in Exhibit E to this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. There is no franchisee in any state who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. In some instances, current and former licensees and franchisees sign provisions restricting their ability to speak about their experience with Garage Kings. You may wish to speak with current and former licensees and franchisees but be aware that not all such licensees and franchisees will be able to communicate with you.

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

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our audited opening balance sheet as of February 1, 2021. We have not been franchising for three or more years, and cannot therefore provide all financial statements that would have otherwise been required in this Item. Our fiscal year end is December 31 of each year.

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1.	Franchise Agreement	Exhibit B
2.	Form of General Release	Exhibit I

ITEM 23
RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document, as Exhibit K. Please return one (1) signed copy to us and retain the other for your records.

EXHIBIT A
FINANCIAL STATEMENTS

GK USA FRANCHISE LLC
(A Limited Liability Company)

BALANCE SHEET

FEBRUARY 1, 2021

GK USA FRANCHISE LLC
(A Limited Liability Company)
FEBRUARY 1, 2021

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CITRINCOOPERMAN®
Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

To the Member
GK USA Franchise LLC

We have audited the accompanying balance sheet of GK USA Franchise LLC (a limited liability company) (the "Company") as of February 1, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

CITRINCOOPERMAN®
Accountants and Advisors

Opinion

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of GK USA Franchise LLC as of February 1, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Uncertainty

As discussed in Note 6 to the financial statement, the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact to the Company cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
February 19, 2021

GK USA FRANCHISE LLC
(A Limited Liability Company)
BALANCE SHEET
FEBRUARY 1, 2021

ASSETS

Cash	$ 100,000
TOTAL ASSETS	$ 100,000

LIABILITIES AND MEMBER'S EQUITY

Liabilities	$ -
Commitments and contingencies (Notes 4, 5 and 6)	
Member's equity	100,000
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 100,000

See accompanying notes to financial statement.

GK USA FRANCHISE LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
FEBRUARY 1, 2021

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

GK USA Franchise LLC (the "Company"), a wholly-owned subsidiary of GK USA Parent LLC (the "Parent"), was formed on January 12, 2021, as a Delaware limited liability company to sell franchises pursuant to a non-exclusive license agreement dated January 26, 2021, between the Company and GK USA Properties LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Garage Kings" name and system that will offer services related to the application and installation of coatings for concrete floors and repair, maintenance, and renovation of concrete floors. The Company has not had significant operations through February 19, 2021, the date on which the financial statement was available to be issued, and has not executed any franchise agreements as of that date.

Except as otherwise provided by law, the liability of the Parent shall be limited to the aggregate amount of the capital contributions which the Parent has made or is otherwise legally obligated to make under the Limited Liability Company Operating Agreement and the Parent shall have no further personal liability to contribute money to the Company, or to pay the debts, liabilities, contracts or any other obligations of the Company, nor shall the Parent, absent express consent, be personally liable for any obligations of the Company.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of a balance sheet in conformity with U.S. 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 balance sheet. Actual results could differ from those estimates.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

Revenue and cost recognition

The Company will adopt Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise revenue, advertising fund revenue, royalties and transfer fees. No such franchise agreements have been executed as of February 1, 2021.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, multi-unit agreement fees ("MUAs"), sales-based royalties, sales-based marketing fund fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company expects to also enter into MUAs which grant a franchisee the right to develop two or more franchise territories. The Company intends to collect an up-front fee for the grant of such rights. The initial franchise fees and up-front multi-unit fees are nonrefundable and collectable when the underlying franchise agreement or MUA is signed by the franchisee. Sales-based royalties and marketing fund fees will be payable on a weekly basis. Renewal and transfer fees will be due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively. The Company's primary performance obligation under the franchise agreement will be granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities." The Company expects that certain training provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of training services that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation. All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the stand-alone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific will be recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUAs generally consist of an obligation to grant the right to open two or more territories. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights will be deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement will be recognized as revenue in the same manner as the initial and renewal franchise fees. Initial and renewal franchise fees related to the MUAs will be recorded as contract liabilities at their contract transaction price.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties

Royalties will be earned based on a percentage of franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

National marketing fund

The Company reserves the right to establish a national marketing fund to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Franchisees will be charged 3% of their weekly gross sales by the national marketing fund in accordance with the Company's standard franchise agreement. As of February 19, 2021, the Company has not yet established a national marketing fund. The Company has determined that it acts as a principal in the collection and administration of the national marketing fund and therefore recognizes the revenues and expenses related to the national marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the national marketing fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the national marketing fund represent the right to access the Company's intellectual property, which will be recognized as weekly franchisee sales occur. When national marketing fund fees exceed the related national marketing fund expenses in a reporting period, advertising costs will be accrued up to the amount of national marketing fund revenues recognized.

Incremental costs of obtaining a contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and will amortize them over the term of the franchise agreement.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ASC 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at February 1, 2021.

The Parent will file income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Subsequent events

The Company has evaluated subsequent events through February 19, 2021, the date on which this financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosure in this financial statement.

NOTE 3. CONCENTRATIONS OF CREDIT RISK

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

NOTE 4. NATIONAL MARKETING FUND

The Company has the right to collect marketing fund fees from franchisees for the marketing fund. Franchisees will be charged 3% of their weekly gross sales by the marketing fund in accordance with the Company's standard franchise agreement. The marketing fund is to be utilized for the benefit of the franchisees, with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of February 19, 2021, the Company has not yet established the marketing fund.

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On January 26, 2021, the Company entered into a perpetual non-exclusive license agreement with the Licensor for the use of the registered name "Garage Kings" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to operate "Garage King" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. In accordance with the license agreement, the Company will be required to pay the Licensor a license fee based on the Company's gross revenue, as defined. The Licensor will not license the trademarks and/or confidential information to any third parties for the purpose of operating a competing franchise system.

NOTE 6. UNCERTAINTY - CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." Disruptions to the Company's business operations could occur as a result from the supply and quarantine of employees, residents, and vendors. Given the uncertainty of this situation, and since the Company does not yet have significant operations and has not yet executed any franchise agreements, an estimate of the financial impact to the Company, if any, cannot be reasonably estimated at this time.

EXHIBIT B
GARAGE KINGS FRANCHISE AGREEMENT

GK USA FRANCHISE LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE

_____

TERRITORY

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GK USA FRANCHISE LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is entered into between GK USA FRANCHISE, LLC, a Delaware limited liability company with its principal office at 1831 Delaware Avenue, Wilmington, Delaware 19806 ("we", "us", "our" or "Franchisor") and _____, whose principal address is _____ ("you", "your" or "Franchisee"), as of the date signed by us and set forth opposite our signature on this Franchise Agreement (the "Effective Date").

1. PURPOSE AND SCOPE OF THIS FRANCHISE AGREEMENT

1.01. The Garage Kings Businesses, System and Proprietary Marks

We, and our affiliates, have developed a proprietary system (the "Garage Kings System" or the "System") for opening and operating businesses specializing in the professional installation of Garage Kings concrete floor coating systems in residential and commercial properties and the offer and sale of related and ancillary products, programs and services offered now or hereafter (each, a "Business" or "Garage Kings Business").The System makes use of the trademark, trademark, service mark and fictitious business name "Garage Kings" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Manual (as described below) and/or otherwise.

2. GRANT OF FRANCHISE AND LICENSE

2.01. Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Proprietary Marks, proprietary products and the System in connection with establishing and operating a Garage Kings Business within the Territory specified in Section 3.01 of this Agreement. You agree to use the Proprietary Marks, proprietary products, and Garage Kings System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and only in accordance with the terms and conditions of this Agreement and all related agreements.

3. TERRITORY

3.01. Territory

Your right to operate a Garage Kings Business is restricted to the geographic area described in Exhibit A (the "Territory"). You must operate your business from an office location within the Territory, approved by us (the "GK Office Location"). Your GK Office Location may be located at your personal residence or a commercial office space, and must be capable of accepting delivery of the supplies and products (including, our proprietary products) necessary to operate your Garage Kings Business. The address of your GK Office Location will be set forth on Exhibit A.

3.02. Our Restrictions

Within the Territory, neither we nor any affiliate (meaning any individual or entity we control, which controls us, or which is under common control with us, together our "affiliates") will operate or grant a franchise for a Garage Kings Business operated under the Proprietary Marks of the type franchised to you hereunder, or a similar or competitive business, except as provided in Section 3.04 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of the Territory, we and/or our affiliates reserve the right to operate any number of Businesses,

and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be proximate to, but not within, the Territory.

3.03. Your Restrictions

Your Garage Kings Business may only offer and sell installation services of Garage Kings proprietary products from your GK Office Location and only to customers situated within the Territory. Under no circumstance may your Business sell installation services of Garage Kings proprietary products through any alternative channels of distribution, such as the internet/worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; retail and wholesale home improvement and hardware stores; mail order; catalogs; or, any other channel of distribution whatsoever except from your GK Office Location.

3.04. Rights We Reserve

You understand and agree that we and/or our affiliates may, in or outside the Territory (except as we are restricted by Section 3.02 of this Agreement), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our affiliates' rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service except as restricted by Section 3.03 above.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under the Proprietary Marks the type of programs, products or services which your Business offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Businesses at any location outside of your Territory, including immediately proximate to your Territory.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks, any and all programs, products or services and/or their components (including those used or sold by your Garage Kings Business), whether or not a part of the System, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; retail home improvement or hardware stores; mail order; catalogs; television sales (including "infomercials"); or, any other channel of distribution whatsoever except for a Garage Kings Business in your Territory.

You further agree that, both within and outside the Territory, we and/or our affiliates alone have the right to sell System programs, products and services to National, Regional and Institutional Accounts. "National, Regional and Institutional Accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Territory; government agencies, branches or facilities; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with National, Regional, and/or Institutional Accounts (which may include facilities within your Territory). If we receive orders for any Garage Kings products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with National, Regional and Institutional Accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another

franchisee and not with you, then we, our affiliate or any other Garage Kings franchisee may serve the customer within your Territory, and you will not be entitled to any compensation. The procedures governing our National, Regional and Institutional Accounts program are set forth in our Manual.

You acknowledge and agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this Agreement is in effect, the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be within your Territory or immediately proximate thereto.

You waive and release any claims, demands or damages arising from or related to any of the above activities described in this Section 3.04 and promise never to begin or join in any legal action or proceeding, or register a complaint with any government entity, directly or indirectly contending otherwise. For the purposes of this Agreement, an "affiliate" of an individual or entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that person or entity.

4. TERM AND RENEWAL

4.01. Initial Term

The initial term ("Initial Term") of this Agreement will be ten (10) years, beginning on the Effective Date, unless this Agreement is sooner terminated in accordance with its provisions.

4.02. Renewal Term and Renewal Agreement

You will have the right to enter into two successive consecutive Renewal Franchise Agreements, each featuring a term of five (5) years (a "Renewal Term") if you have complied with the conditions and procedures for renewal specified in Section 4.03 below. The first Renewal Term will begin on the date that the Initial Term expires and each succeeding Renewal Term will begin on the date that the previous Renewal Term expires. The first Renewal Franchise Agreement will supersede this Agreement and each subsequent Renewal Franchise Agreement will supersede the preceding Renewal Franchise Agreement. Renewal Franchise Agreements may not take the form of this Agreement; but, instead, may each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no "initial franchise fee" will apply to you; the boundaries of your Territory will remain the same; and, the Royalty Fee on renewal will not be greater than the Royalty Fee that we then impose on similarly situated renewing franchisees. The conditions to and procedures governing your right to renew are set forth below in Section
4.03
below.

4.03. Conditions to Renewal

Your right to enter into a Renewal Franchise Agreement will be conditioned on the following:

A. We are still offering franchises in the area in which your Territory is located;

B. You must notify us in writing no more than nine months and no less than six months before the expiration of the Initial Term (or Renewal Term) of this Agreement of your intent to enter into a Renewal Franchise Agreement;

C. Throughout the Initial Term (or any Renewal Term) and at the time of renewal, you must have performed all of your material obligations and been in compliance with the terms of this Agreement, the Manual and other agreements between you and us or our affiliates;

D. At the time of renewal, you must be current on the payment of all monetary obligations to us, our affiliates, the lessor or sublessor of your GK Office Location (if any), the lessor or lending instruction of your GK Work Vehicle and any material third party supplier of yours;

E. You must pay us a renewal fee equal to ten (10%) percent of the then-current Initial Franchise Fee;

F. Before the commencement of the applicable Renewal Term, you must update the GK branded vehicle wrap for your GK Work Vehicle and GK Storage Trailer as we reasonably require to meet our then current standards (but not more than once every three (3) years);

G. You and/or your operating principal (if you are a business entity) (the "Operating Principal"), your manager (the "GK Business Manager") (as applicable) and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense;

H. You must (if you lease your GK Office Location, GK Work Vehicle or GK Storage Trailer) be able to renew the lease for your GK Office Location, GK Work Vehicle or GK Storage Trailer on terms acceptable both to you and us, or be able to lease a substitute GK Office Location, GK Work Vehicle or GK Storage Trailer acceptable to and approved by us, without any interruption of business; and,

I. You must have signed a General Release in the form of Exhibit I. This General Release will not release us from any future claims related to any Renewal Franchise Agreement but will release us from any and all claims you may have related to this Agreement.

If you have satisfied these conditions, then we will provide you with a Renewal Franchise Agreement in the manner specified in the following section.

4.04. Renewal Procedures

You must exercise your renewal right under this Agreement in the following manner:

A. You must notify us in writing no more than nine (9) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your desire to enter into a Renewal Franchise Agreement.

B. Within thirty (30) days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of your Renewal Franchise Agreement in a form ready to be executed by you (together, the "Renewal Package"). You must acknowledge receipt of the Renewal Package in any fashion that we reasonably specify.

C. No sooner than fifteen (15) days, but no later than twenty-five days, after you receive our Renewal Package, you must execute the Renewal Franchise Agreement and return it to us.

D. If you have exercised your renewal right as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to renewal identified in Section 4.03 of this Agreement, then we will execute the Renewal Franchise Agreement previously executed by you and will deliver one fully executed copy of your Renewal Franchise Agreement to you.

E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Renewal Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial

Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature will survive.

F. Time is of the essence with regard to this Section 4.04.

4.05. Notice of Expiration

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

5. YOUR PAYMENTS TO US

5.01. Initial Franchise Fee

You agree to pay us an Initial Franchise Fee in the amount set forth on Exhibit C. The Initial Franchise Fee for a single Garage Kings Business is $65,000, which will be reduced if you wish to purchase up to three Garage Kings Businesses serving up to three contiguous Territories. The Initial Franchise Fee is payable in full when you sign this Agreement; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02. Royalty Fee

You agree to pay us a weekly royalty equal to seven percent (7%) of Gross Revenues of the franchised Business (the "Royalty")

5.03. Call Center Fees

We reserve the right to set up a call center to process calls and schedule appointments for franchisees. If we set up a call center, you agree to pay us a weekly Call Center Fee equal to two percent (2%) of the Gross Revenues of the franchised Business. If we set up a call center, we may designate that participation in the call center is mandatory for all Garage Kings Businesses.

5.04. Definition of Gross Revenues

"Gross Revenues" means all revenues and income from any source that you derive or receive from, through, by or on account of the operation of the franchised Business, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. You may deduct from Gross Revenues, to the extent that they have been included in your calculation of Gross Revenues, documented refunds, chargebacks, credits and allowances that you give in good faith to customers. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to customers if you add the taxes when you charge the customers; send the tax payments to the appropriate tax authorities when due; furnish to us within 30 days of payment an official receipt for payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the monthly report required by Section 5.05 the amount of all these taxes and the payments to which they relate.

5.05. Reporting and Payment

A. You agree to submit a monthly report to us, in a manner and form we prescribe, for our receipt on or before the first day of each month. The monthly report will consist of a statement reporting all Gross Revenues for the preceding month. You must manually or electronically sign the monthly report as we direct. We reserve the right to require you to file your monthly reports electronically or through any now or hereafter developed mode of communication and/or data transmission. You also agree to furnish to us any other financial or non- financial data that we request concerning the activity of your Business in the form, manner and frequency that we request it.

B. We reserve the right to require the transmission of the Royalty Fee and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. If we require you to make payments by direct account debit, electronic funds transfer or other similar technology we designate, you agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for Garage Kings Business. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. If and when we have implemented this requirement, you may not change the Bank Account without our advance written approval. You agree to pay all costs of direct account debit, electronic funds transfer or other similar technology we designate.

C. Any payment or report not actually received by us on or before the requisite due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by and reports to be submitted by you to us. All unpaid or overdue obligations under this Agreement shall: (i) incur a One Hundred Dollar ($100) late fee; and (ii) bear interest from the original date due until paid, at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of two percent (2%) above the then-current Wall Street Journal prime rate of interest. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

D. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes, gross receipts taxes and any other taxes imposed on or required to be collected or paid by us, our affiliates and/or our third party designees (as applicable) (excluding any corporate income taxes imposed on us, our affiliates and/or our third party designees) because we, our affiliates and/or our third party designees (as applicable) have furnished programs or services to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with our collection efforts; and (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

6. SITE SELECTION, GK WORK VEHICLE AND GK STORAGE TRAILER REQUIREMENTS AND TRADE DRESS

6.01. GK Office Location

A. GK Office Location

1. You may operate your Garage Kings Business only from your GK Office Location. Your GK Office Location may be located at your personal residence or a commercial office space that we approve, so long as it is located within your Territory, no more than one hour's driving time from the farthest boundary of your Territory and capable of accepting delivery of the supplies and products (including, our proprietary products) necessary to operate your Garage Kings Business.

If we license you the right to operate more than one Garage Kings Business, you may employ a single GK Office Location for all your Businesses, so long as the GK Office Location is within the Territory of one of your Businesses.

2. If you have suggested a GK Office Location which we have approved before the execution of this Agreement, then that address will be set forth on Exhibit A to this Agreement. If you have not suggested a GK Office Location which we have approved before the execution of this Agreement, then you agree to use your best efforts to find an acceptable GK Office Location within the Territory or no more than a one hour's driving time from the farthest boundary of the Territory. You must comply with all our GK Office Location specifications, requirements and restrictions. The Location will be subject to our advance written approval, and our determination will be final.

B. GK Office Location Lease

If you will be leasing the GK Office Location, then promptly following our written approval of your proposed GK Office Location site, you agree to obtain a lease or sublease for the GK Office Location.

You may not, in any lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement.

You acknowledge and agree that any advice we furnish regarding the selection, inspection and/or approval of any proposed site for your GK Office Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the GK Office Location, and you hereby forever waive any claim to the contrary.

6.02. GK Work Vehicle and GK Storage Trailer Requirements

A. You acknowledge and agree that you will utilize a van or truck that meets our standards and is customized to our specifications (the "GK Work Vehicle"), as set forth in our Manual, to conduct a substantial portion of your Garage Kings Business, including, without limitation, transporting our proprietary products to be used in installing concrete floor systems for residential and commercial clients located within your Territory. You also acknowledge and agree that you will utilize a storage trailer to, as a courtesy for your client, store your clients' belongings while you install the Garage Kings concrete floor coating system in their home or business (the "GK Storage Trailer").

B. You shall purchase or lease your GK Work Vehicle and GK Storage Trailer from a reputable third-party vehicle dealer. As of the Effective Date of this Agreement, we do not have an approved supplier from which you can or must lease and/or purchase your GK Work Vehicle or GK Storage Trailer. However, we reserve the right to require you to use a supplier we designate or approve (which may be us or an affiliate) in the future.

C. You acknowledge and expressly agree that you will only use your GK Work Vehicle and/or GK Storage Trailer in direct connection with the operation of your Garage Kings Business, and not directly or indirectly in connection with any other business venture in which you may be involved.

D. Your GK Work Vehicle and GK Storage Trailer must meet our then-current specifications with respect to appearance (including, the make, model, year and color) and its ability to permit you to carry out the obligations and requirements imposed on you hereunder.

E. You acknowledge and agree that we require you to procure a local vendor to print our prototypical vehicle wrap design and affix such vehicle wrap to your GK Work Vehicle and GK Storage Trailer at your sole expense prior to commencing business operation. You further agree to modify your vehicle wrap, as we may require from time to time, in strict accordance with our requirements as set forth in our Manual, or otherwise in writing.

F. You acknowledge and agree that any advice we furnish regarding the selection, inspection and/or approval of any proposed vehicle for your GK Work Vehicle and/or GK Storage Trailer will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability, fitness or merit of the GK Work Vehicle and/or GK Storage Trailer, and you hereby forever waive any claim to the contrary.

G. We have the right to require you during the Initial Term of this Agreement (but no more than once every three (3) years), at your sole expense, to update the vehicle wrap for your GK Work Vehicle and GK Storage Trailer so that it reflects our then-current standards. If any such direction of ours requires you to expend more than Five Thousand Dollars ($5,000) to effectuate the directed activity, then you will have six months following your receipt of our notice to comply with our direction.

6.03. Securing Storage Unit

If your GK Office Location does not provide sufficient space to store the proprietary products and equipment that you purchase and will use in connection with the installation of our concrete floor coating systems, then you expressly agree to secure a climate-controlled storage unit between 150 cubic feet and 300 cubic feet within your Territory. You agree that the storage unit must be maintained at such temperature that would prohibit any stored products from freezing.

6.04. Securing GK Office Location, GK Work Vehicle, GK Storage Trailer and Storage Space

A. You may only operate your Garage Kings Business from your GK Office Location, GK Work Vehicle, GK Storage Trailer and Storage Space. You may not use your GK Work Vehicle or GK Storage Trailer for any other purpose than in connection with the operation of your Garage Kings Business.

B. It is of the essence of this Agreement that you sign the lease and/or purchase agreement for your GK Office Location, GK Work Vehicle and GK Storage Trailer within one hundred twenty (120) days following the date of our execution of this Agreement. If you do not secure a GK Office Location, GK Work Vehicle and/or GK Storage Trailer within the time limits specified in this Section 6.03, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate this Agreement for this reason, then all funds you paid us will be considered earned by us; we will not refund to you any portion of the Initial Franchise Fee; and you shall immediately execute a General Release running in favor of us and our affiliates.

6.05. Modification of Your GK Work Vehicle and GK Storage Trailer

You may modify the interior of your GK Work Vehicle and GK Storage Trailer, at your expense and as you reasonably deem necessary to operate your Garage Kings Business, including, without limitation, installing the flooring and shelving necessary to transport and store the equipment and Garage Kings proprietary products used in connection with the installation services you are to provide under this Agreement.

6.06. Maintaining Your GK Office Location, GK Work Vehicle and GK Storage Trailer

You shall at all times maintain, at your sole expense, the interior and exterior of your GK Office Location, GK Work Vehicle and GK Storage Trailer in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Manual.

6.07. Relocation of Your GK Office or Replacement of Your GK Work Vehicle or GK Storage Trailer

You may not relocate your GK Office Location to another location that is outside of your Territory or further than one hour's driving time from the farthest boundary of the Territory or lease or purchase another GK Work Vehicle and GK Storage Trailer that does not meet our specifications without first obtaining our written approval and reimbursing us for any reasonable costs we incur in considering your request. If you relocate the GK Office Location or replace your GK Work Vehicle and GK Storage Trailer with our approval subject to the terms of this Section 6.06, the new location will be the "GK Office Location" of your Business and the replacement vehicle and/or trailer will be the "GK Work Vehicle" and/or "GK Storage Trailer," respectively. Any relocation of your GK Office Location or replacement of your GK Work Vehicle and GK Storage Trailer will be at your expense. All leases or subleases that you enter into for your GK Office Location, GK Work Vehicle and/or GK Storage Trailer, all plans and specifications for your relocated GK Office Location that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated GK Office Location, GK Work Vehicle and/or GK Storage Trailer must be in accordance with all of the provisions of this Article 6 and our then-current standards, specifications and requirements.

6.08. Time Is Of the Essence

Subject to the provisions of Article 19 of this Agreement ("Unavoidable Delay or Failure to Perform [Force Majeure]"), time is of the essence with regard to each and every requirement of this Article 6.

7. OUR DUTIES

7.01. Confidential Operating Manual; Policy Statements

We will provide you with access to an electronic copy of our confidential operating manuals (the "Manual"). The Manual may take the form of one or more of the following: one or more loose leaf, bound or electronic volumes; electronic bulletins (or hardcopies thereof); electronic notices (or hardcopies thereof); videos; CD- ROMS; other electronic media; online postings; e-mail and/or electronic communications; recorded group calls; audio trainings; facsimiles; or, any other now or hereafter developed medium capable of conveying the Manual's contents.

The Manual will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your Garage Kings Business. You agree to operate your Business in strict compliance with the Manual.

We have the right to prescribe additions to, deletions from or revisions of the Manual (the "Supplements to the Manual"), all of which will be considered a part of the Manual. All references to the Manual in this Agreement will include the Supplements to the Manual. Supplements to the Manual will become binding on you as if originally set forth in the Manual, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Manual and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Manual other than a license to use it and comply with it during the Term of this Agreement. You agree to ensure at all times that your copy of the Manual is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Manual and any Supplements to the Manual, the master copy of the Manual and any Supplements to the Manual maintained at our principal office will control.

In addition to the Manual, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Manual, are not contracts and do not create any contractual or other binding obligation on either you or us.

7.02. Initial Training Program

Our initial training program ("Initial Training Program") is comprised of three components: (i) virtual classroom training; (ii) classroom training at our designated Training Center; and (iii) on-the-job training at your GK Office Location, which we will provide at cost of $7,500.00, to you (if you are an individual), your Operating Principal, GK Business Manager and installers (except, as provided below, in instances where you ask us to provide our initial training program for additional or replacement personnel). You, your Operating Principal, GK Business Manager and installers must successfully complete to our satisfaction, all components of our Initial Training Program.

Our Initial Training Program encompasses Product and Installation Training, Sales Training, Business Operations Training and Marketing Training. Each of these are taught in a combination of Virtual and In-Person trainings at our Training Center (Columbus, Ohio). Upon completion of your Initial Training you will be ready for your Grand Opening of your business. During the first four (4) weeks of your opening we will send a trainer to your location to provide additional hands-on training. These visits last 2-5 days depending on the franchisee's needs.

The Initial Franchise Fee includes the cost of the Initial Training Program for you (if you are an individual), your Operating Principal, your GK Business Manager and installers. You must also pay for all expenses your trainees incur while attending any training program, including costs of travel, lodging, meals and wages.

The Initial Training Program is currently conducted by our Staff and Trainers. Specifically, the technical trainers are David Stevens, who had 41 years of relevant experience and Jed Bettelon, who has 16 years of relevant coatings experience. We reserve the right to make changes in our training staff as we deem necessary and advisable without prior notice. The instructional materials used in the initial training consist of our Manual, marketing and promotion materials, and any other materials that we believe will be beneficial to our franchisees in the training process.

After you have successfully completed the virtual training program portion of the Initial Training Program, you (if you are an individual), your Operating Principal, your GK Business Manager and installers will attend and participate in the on-the-job training portion of the Initial Training Program. While we require you (if you are an individual), your Operating Principal, your GK Business Manager and installers to attend the Initial Training Program, we strongly recommend that all of your personnel (including, without limitation, your sales representatives) also attend the on-the-job training portion of Initial Training Program. Unless we otherwise require, the on-the-job training portion of our Initial Training Program will take place within your Territory and last up to one week. You will receive your on-the-job training by performing installation services (under the strict supervision of one our trainers) for actual residential clients within your Territory. You acknowledge and agree that you are solely responsible for securing (at your expense) between two to three residential clients (the "Training Clients"), whose projects will serve as the basis for your training in the installation of our concrete floor coating systems. Once you have secured the requisite Training Clients, we will determine and notify you of the date of the commencement of your on-the-job training. If you have not secured your Training Clients within 120 days from the date of our execution of this Agreement, we will have the right to terminate this Agreement. If we terminate this Agreement for this reason, then all funds you paid us will be considered earned by us; we will not refund to you any portion of the Initial Franchise Fee; and you shall immediately execute a General Release running in favor of us and our affiliates.

If we reasonably conclude in our business judgment that either you (if an individual), your Operating Principal, your GK Business Manager or installers have failed to attend or successfully complete our

Initial Training Program to our satisfaction in our business judgment, then you must, at your sole expense, arrange for that person (or persons) to attend our next scheduled Initial Training Program or secure additional Training Clients for us to conduct a follow-up Initial Training Program. We will have the right to terminate this Agreement if, following your Initial Training Program (including re-enrollment training), we determine that you, your Operating Principal, your GK Business Manager and/or installers have failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us; we will not refund to you any portion of the Initial Franchise Fee; and you shall immediately execute a General Release running in favor of us and our affiliates.

If you require us to provide Initial Training for replacement personnel, then you must pay an additional charge to us for providing the Initial Training Program to additional or replacement personnel. This charge will be no greater than $7,500 per training session. If you replace your Operating Principal, GK Manager or any installer, such replacement personnel is required to attend and successfully complete our Initial Training Program.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Businesses, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated by us for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media).

At all times during the term of this Agreement, you agree to pay all the expenses incurred by your trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging, and other living expenses.

7.03. Additional On-Site Training or Assistance

Aside from the on-site training that we provide during the Initial Training Program, you may request additional on-site training or assistance at any time in accordance with guidelines we may specify in the Manual or otherwise. We will not be obligated to provide such additional on-site training or assistance, but if we elect to do so, or if we determine that additional on-site training is necessary for you, you will be required to pay the then-current on-site training fee then being charges to franchisees, due thirty (30) days after billing, plus reimburse us for the costs of travel, lodging and meals incurred by our trainers in connection with same. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel.

7.04. On-Going Training

We may from time to time develop additional training programs which you (if you are an individual), your Operating Principal your GK Business Manager and/or installers must attend and successfully complete. We will determine the duration, curriculum, and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). We reserve the right to charge our then-current training fees for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other expenses.

7.05. Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Garage Kings operators on a regional and/or national basis, which meetings shall not occur more frequently than annually. We will determine the duration, curriculum and location of these Franchisee Meetings. We will choose the location for the franchisee meeting, which may be our headquarters, a conference center or a resort or hotel close to our headquarters. We shall not be required to hold such meetings unless we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you, your Operating Principal, your GK Business Manager, installers and/or other personnel. We reserve the right to charge our then-current training fees for such Franchisee Meeting, and you shall pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

7.06. Field Support Services

After you have opened your Garage Kings Business, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Business. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.07. Accounting, MIS and POS Systems

We may, but need not specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your franchised Business; maintain your financial records and Business data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale ("POS") scanning and invoice entry and/or automated "smart phone" (or other) customer purchase tracking/payment transactions. You will be solely responsible for performing all bookkeeping, record-keeping, and accounting duties prescribed under this Agreement or in the Manual and for bearing the costs of these activities.

7.08. Pricing

Because enhancing Garage Kings' inter-brand competitive position and consumer acceptance for Garage Kings' programs, products, and services is a paramount goal of us and our franchisees, and because this objective is consistent with the long-term interest of the System overall, we may exercise rights with respect to the pricing of Garage Kings' programs, products and services to the fullest extent permitted by then- applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the products and/or services offered and sold at your Garage Kings Business; recommending retail prices; advertising specific retail prices for some or all of programs, products or services sold by your Garage Kings Business, which prices you will be compelled to observe (colloquially referred to as "price point advertising campaigns"); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as "$250 off a 2 car garage floor project or $400 off a 3+ car garage floor project"); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which you may charge. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may, in our discretion, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your franchised Business's retail prices.

7.09. GK Branded Vehicle Wrap

We will provide you with our prototypical design of the vehicle wrap that you are required to affix to your GK Vehicle and GK Storage Trailer. You are required, at your sole expense, to hire our designated vendor to print and affix the vehicle wrap to your GK Vehicle and GK Storage Trailer. You acknowledge and agree that you must obtain our prior written consent, approving the print of your vehicle wrap, prior to your vendor affixing said vehicle wrap to your GK Vehicle and GK Storage Trailer.

7.10. Nature of Obligations

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

8. YOUR DUTIES

8.01. Commencement of Operations

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Manual and in other written notices from us, and commence operation of your franchised Business no later than one hundred twenty days following the Effective Date ("Commencement Date"). Time is of the essence.

You will not be allowed to commence Business operations without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses (including, without limitation, all licenses and permits required to purchase, import, hold, store, transport and install the proprietary products in, into or out of the Territory), furnish to us copies of all such required permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your GK Office Location, the lessor or lending institution of your GK Work Vehicle, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Manual or other written notices we may furnish to you.

You must send us a written notice of the actual Commencement Date of your Business franchised hereunder concurrent with such opening.

8.02. Manner of Operation

Your Garage Kings Business must comply at all times with every provision of this Agreement, the System and the Manual. You may not use the System or the Proprietary Marks for the benefit of any business other than the franchised Business. You may not conduct (or permit anyone else to conduct) any business through the utilization of your GK Work Vehicle and/or GK Storage Trailer other than the franchised Business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Manual are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Manual may damage the reputation and goodwill enjoyed by the Proprietary Marks.

8.03. Modifications to the Garage Kings System

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Manual or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your franchised Business is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or

substituting required equipment, technology, signs, trade dress and other Business characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us customer information and data; and, changing, improving, modifying or substituting one or more of the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any particular franchised Business, based on the timing of the grant of the franchise, the peculiarities of the particular market area or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

8.04. Co-Branding

We may determine from time to time to incorporate in the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as "co-branding," may involve changes or additions to the Proprietary Marks and may require you to make modifications to your GK Work Vehicle, GK Storage Trailer, equipment and signs. If we give written notice to you that we are instituting a co-branding program, you agree promptly to implement that program at your Business at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any co- branding program increase your Royalty Fee or local marketing expenditure obligations under this Agreement.

8.05. Compliance with Laws, Rules, and Regulations

You acknowledge and expressly agree that you are solely responsible for understanding which laws, rules and regulations apply to the operation of your Business. You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Business in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your GK Office Location, GK Work Vehicle, GK Storage Trailer and Business. You further agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your GK Office Location, GK Work Vehicle, GK Storage Trailer and Business now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person" has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S.

government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ, or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

8.06. Health, Safety, and Cleanliness

You shall meet (or exceed) and maintain the highest health standards and ratings applicable to the operation of your franchised Business. You shall furnish to us, within five (5) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your GK Office Location, GK Work Vehicle or GK Storage Trailer conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your GK Office Location GK Work Vehicle and/or GK Storage Trailer; the programs, products and services sold, offered for sale and/or provided at your Business; and, the operation of the Business under the System, as those requirements may be specified by us in this Agreement, in the Manual or otherwise in writing.

You shall permit us or our agents, at any reasonable time and with or without notice, to inspect your franchised GK Office Location, GK Work Vehicle and/or GK Storage Trailer to ensure that you are using Garage Kings proprietary products in the installation of our concrete floor coating systems.

You shall at all times maintain your franchised GK Office Location, GK Work Vehicle and GK Storage Trailer in the highest degree of sanitation, repair and condition.

8.07. Your Participation in the Operation of the Business; GK Business Manager

You (or your Operating Principal, if you are a business entity) must personally supervise the operation of your Garage Kings Business, unless we permit in writing. You must devote the necessary time and best efforts (or hire a manager whom we approve who will devote the necessary time and best efforts) for the proper and effective operation of the Business. If we license you to operate more than one Garage Kings Business, you must devote the time necessary for the proper and effective operation of all your Businesses.

If you are an individual, you must serve as Operating Principal and if you are an entity franchisee, you must designate an individual who either owns a majority interest in the franchised Business or, where there is no majority owner, who we otherwise approve of in writing. The Operating Principal, who will have complete decision-making authority with regard to your franchised Garage Kings Business and have authority to in all respects act on your behalf, will be the sole individual with whom we will be required to communicate when we seek to communicate with you. You must inform us in writing of your Operating Principal and any replacement Operating Principal in advance. We must approve your Operating Principal before you appoint them. Either you (if the franchisee is an individual) or your Operating Principal (if the franchisee is an entity) must complete the Initial Training Program to our satisfaction. After an Operating Principal's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting Operating Principal within ten days.

You must designate a "GK Business Manager" for the effective operation of your franchised Business. If you are an individual, then you may serve as the GK Business Manager. If you are an entity, then your Operating Principal may serve as the GK Business Manager. If your GK Business Manager is not you (if you are an individual) or your Operating Principal, then before designating and engaging the services of the GK Business Manager, you must identify such individual to us; furnish information to us regarding

the candidate's background, experience and credentials; and, secure our prior written approval of the candidate, which we will not unreasonably withhold or deny. The GK Business Manager must attend and successfully complete our Initial Training Program. In addition, the proposed GK Business Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your franchised Business. If you elect to hire a GK Business Manager, you (or your Operating Principal, if you are a business entity) are still required to have a thorough and comprehensive understanding of the operations of your Garage Kings Business.

Upon the death, disability, or termination of employment of your GK Business Manager, for any cause or reason, you must immediately notify us. You must designate a successor or acting GK Business Manager promptly and, in any event, no later than ten days following the death, disability or termination of the predecessor GK Business Manager. The above protocols and procedures governing your proposal and our approval of your initial GK Business Manager shall apply to any successor GK Business Manager you may propose. Any successor GK Business Manager must possess those credentials set forth in our Manual, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor GK Business Manager will constitute a material breach of this Agreement.

8.08. Requirements Concerning Programs, Products and Services

A. Programs, Products, and Services You Sell

You agree to sell all programs, products and services which are part of the System and all other programs, products and services which we in the future incorporate into the System unless, as to any one or more items, the sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not, under the Proprietary Marks, sell any program, product or service which is not a part of the System or which we delete from the System.

You must maintain in sufficient supply products, materials, supplies and paper goods as conform to our then- current written standards and specifications (as set forth in the Manual or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent.

If you desire to sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other Garage Kings Businesses; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

B. Proprietary Programs, Products, and Services

You must purchase or lease any proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or used in conjunction with, offered or sold by your Business which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, an affiliate of ours that we designate or an independent distributor whom we authorize. We impose this requirement to advance uniformity of the Garage Kings concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. Our proprietary products and equipment may include, among other things, products, chemicals, flakes, aggregates, grinder kit and epoxy tooling required for crack repairs and concrete floor coatings and any other category of ancillary or related programs, products, services or equipment. We (or our affiliates or designees) will sell to you all proprietary products and equipment at the prices set forth in our

product catalogue (as such may be amended from time to time) at the time we accept your purchase order, unless otherwise agreed to by us in writing. Such prices shall be subject to any terms and/or discounts we elect. We reserve the right to earn a profit on the sale of proprietary products and equipment to you.

We do not currently offer any financing in connection with any of your required purchases.

You acknowledge and agree that all purchase orders shall only contain such terms as approved by us (or our affiliate), in writing. No purchase order shall be deemed complete, unless all of the information that we require you to provide on the purchase order form is provided by you. No new or additional terms or conditions contained in the purchase order will be deemed valid, effective or accepted by us, unless expressly approved by us or our affiliate in writing. A purchase order cannot be changed or cancelled after we have accepted it, unless we otherwise agree in writing.

You acknowledge that the price of our proprietary products and equipment do not include taxes, excise, VAT, use or sales taxes, or other similar taxes which may be applicable to our sale of the proprietary products to you. If such taxes are applicable, you acknowledge and agree that it will be added to the selling price. All orders for proprietary products and equipment placed with us, our affiliate or an approved supplier must be paid for prior to shipping. You further acknowledge and agree that you are responsible for the costs of shipping our proprietary products and equipment. We will invoice the shipping costs after your purchase order has shipped. Your payment of such shipping costs is due and payable in accordance with the terms of your invoice. Any outstanding amounts that remain unpaid after the due dates shall bear interest as set forth in the terms of your invoice. In addition to paying interest, you agree to reimburse us for all costs and commissions paid or due to a collection agency or in connection with our collection efforts.

You acknowledge that the proprietary products and/or equipment that you purchase from us shall be delivered F.O.B at or near our warehouse, the approved supplier's warehouse or your designated common carrier. You, therefore, agree that our liability for any loss or damage to the proprietary products and/or equipment shall cease upon our delivery of such proprietary products and/or equipment at our warehouse, to your designated agent or to a common carrier that you have selected. You agree to examine the proprietary products and/or equipment purchased from us, our Parent or approved supplier immediately upon your receipt of your order. You acknowledge that the shipment shall be deemed to be accepted by you, unless you immediately notify us, in writing, within twenty-four hours of your receipt of the shipment, that you do not accept delivery for any one of the reasons set forth in our Manual. All shipments that you claim are defective shall be held by you for thirty days in order to permit us to inspect the shipment. The shipment should not be returned to us, unless we require you to do so. If we require you to return the shipment, we shall assume the costs of such shipment.

Upon the expiration or termination of this agreement, we shall have no further obligation to fulfill or ship any orders pending at such time.

C. Installation of proprietary products and Warranty Program

1. Installation of Proprietary Products

   You shall strictly comply with our then-current methods, standards, and procedures for applying and installing the proprietary products for customers located within your Territory. You acknowledge and expressly agree that you are solely responsible for the proper and professional installation of the proprietary products, including, without limitation, (i) appropriately preparing your customers' surfaces for application and installation of our Garage Kings concrete floor coating systems and (ii) utilizing the appropriate proprietary products under the appropriate circumstances. In addition to complying with our installation procedures, you also acknowledge and agree that you shall comply with all applicable laws,

rules and regulations, and in accordance with all applicable building codes and permits concerning your use of our proprietary products in the application and installation of our concrete floor coating systems to customers in your Territory.

2. Garage Kings Product Warranty Program

We have developed a product warranty program to protect against any defects that may be found in our proprietary products (including, without limitation, delamination, peeling, cracking and/or blistering). A copy of the terms and conditions of our Garage Kings Product Warranty Program are set forth in Exhibit D to this Agreement. You shall offer and honor this warranty program to each customer for whom you install a concrete floor coating system using our proprietary products. If a customer files a claim under our warranty program within the time frame allotted and you are able to prove that: (i) the proprietary products used in the installation of the concrete floor coating system for that customer was defective, and (ii) you properly installed the proprietary products in strict compliance with our then-current installation procedures, then, pursuant to our product warranty program, we will replace the defective proprietary products at our sole expense. Neither you nor your customer will be entitled to a refund by us of any monetary payments to purchase the defective proprietary product, your (and your customer's) sole remedy under such circumstances, is the replacement of the defective proprietary product. If, however, you (or we) are unable to establish that our proprietary products were defective at the time of installation, then you shall, at your sole expense, incur the cost of replacing the proprietary products, removing the defective concrete floor coating system and reinstalling the new concrete floor coating system for your customer.

THIS LIMITED WARRANTY CONSTITUTES YOUR (AND YOUR CUSTOMER'S) SOLE REMEDY. IT IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE). IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR ECONOMIC LOSSES WHETHER THE THEORY BE BREACH OF THIS OR ANY THER WARRANTY, NEGLIGENCE, STRICT LIABILITY OR TORT.

3. Installation Warranty

In addition to our product warranty program, you shall provide customers with an installation warranty that protects against your improper installation of the proprietary products. Under the installation warranty (the form of which is attached as Exhibit E hereto), you shall bear the costs of removing and reinstalling any concrete floor coating system that was not installed in strict compliance with our standards and specifications. These costs also include the expense of repurchasing the proprietary products from us, our Parent or designated affiliate in connection with the reinstallation of the concrete floor coating system. You acknowledge and expressly agree that your liability for such costs under the installation warranty shall survive the termination of your Franchise Agreement. Thus, upon the termination of your agreement, you agree that you shall remain responsible for the costs we incur in the event we, another Garage Kings franchisee, or our designee are required to remove and reinstall a concrete floor coating that you installed due to your failure to strictly comply with our then- current methods, procedures, standards and specifications in applying and installing our proprietary products.

The duration of your installation warranty will correlate with the warranty period we provide (in our product warranty program) for the product used in the installation. For example, under our current product warranty program, we offer a 15-year product warranty against any defects in our marbled epoxy products. You will offer your customer a 15-year installation warranty that covers your installation of our marbled epoxy floor coating

products. Upon completion of the installation of our concrete floor coating system, you shall provide your customer with a copy of the installation warranty attached hereto as Exhibit E.

You acknowledge and agree (if we require) to repair and/or replace any concrete floor coating system installed by a former Garage Kings franchisee who had a Territory proximate to your Territory. We shall compensate you for the ordinary, customary and reasonable cost associated with such repair or replacement installation.

D. Sources of Supply and Specifications

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to the brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. We will provide you with a list of our approved suppliers. All such designated approved suppliers must demonstrate, to our continuing reasonable satisfaction, their ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your (and other Garage Kings Businesses') needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated approved suppliers and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Business within ten days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Business, for which we do not designate a required source of supply. We will set forth such specifications in our Manual or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

You may propose a new or substitute supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request;

2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;

3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;

4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other Garage

Kings Businesses) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion;

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs; and,

6. Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We, our affiliate or our designee may be an approved source of supply for any such non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our affiliate. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other Garage Kings franchisees.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the National Marketing Fund (to be expended as provided in this Agreement), if such National Marketing Fund is established. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

E. Systemwide Supply Contracts

We may, in the exercise of our business judgment, enter into supply contracts either for all Garage Kings Businesses or a subset of Garage Kings Businesses situated within one or more geographic regions (each, a "Systemwide Supply Contract"). We may enter in such Systemwide Supply Contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and franchised Garage Kings Business in the United States, or company-owned and franchised Garage Kings Businesses in a designated geographic area, will be required to purchase, use and/or sell. If we do so, then immediately upon notification, you, we and all other Garage Kings Businesses (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the Systemwide Supply Contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

We make no representation that we will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of our business judgment.

F. Technology Requirements

Before the opening of the franchised Business, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, "smart phone" automated customer purchase tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Manual or otherwise (the "Computer System"). You agree to obtain and maintain high-speed broadband communications access or other high-speed capacity that we require for your Computer

System. You acknowledge that we will provide you (and any of your personnel, whom we designate) with a garagekings.com email address (the "Garage Kings Email Address") and trackable phone number that should only be used in connection with the operation of your Garage Kings Business. You agree to use these email addresses and phone numbers in your print advertising campaigns and any online/social media posts. You further agree that each email sent from your Garage Kings Email Address will contain the following disclosure: "Garage Kings [Name of Assigned Area] is an independently owned franchise operated by [Name of Franchisee]."

You agree to provide all assistance we require to bring your Computer System online with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computer System all data and information which we prescribe in our Manual, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your computer system and we may retrieve from your computer system all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the computer system all information concerning the operation of the franchised Business that we require, in the form and at the intervals that we require.

You must use the proprietary software that we require, which may be developed by us or on our behalf. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them system-wide, at the prices and on the terms that we or such third-party vendor establish, but you will not be required to do so more than once in any calendar year. You agree to use software support services that, in the future, we provide or which are provided on our behalf by a third-party supplier we designate. We reserve the right to charge you for software support services in the future.

You agree, at your expense, to keep your computer system in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your computer hardware, software, telephone and power lines and other computer facilities as we direct, on the dates and within the times we specify in our Manual or otherwise.

Upon termination or expiration of this Agreement, you must return or transfer all software, disks, tapes and other magnetic storage media, as well as all data, software licenses, software or hardware access passwords and codes used in conjunction with your operation of your franchised Business to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your franchised Business's computer system. You will at all times ensure that the only personnel conducting transactions on your computer system will be those who have been trained and qualified in accordance with the requirements of our Manual.

8.09. Web Sites/Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the Garage Kings System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and, if we do, we may design and provide for the benefit of your Business a "click through" subpage at our website for the promotion of your Garage Kings Business. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your "click through" subpage. We will specify the content, frequency and procedure of these in our Manual. Any websites or other modes of electric commerce that we

establish or maintain may – in addition to advertising and promoting the products, programs or services available at Garage Kings Businesses – also be devoted in part to offering Garage Kings Business franchises for sale and be utilized by us to exploit the electronic commerce rights which we reserve (see Item 12). You may not maintain your own website or mobile application; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your franchised Garage Kings Business; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Garage Kings" name or any confusingly similar name.

We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Snapchat, Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We may, but have no obligation to, grant you editor's rights to update the information on and post comments to the Garage Kings profiles that we create on various social media platforms. If we grant you such editor's rights, you must obtain our prior written approval (which we can withhold for any reason or no reason) before updating our social media page(s) and/or publishing posts to such social media pages. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Garage Kings website we establish and maintain, including all material you may furnish to us as described above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such web site shall vest exclusively in us.

8.10. Indemnification

You agree that you will, at your sole cost, at all times defend and hold harmless us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Franchisor Parties"), and indemnify and hold harmless us and the Franchisor Parties to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your GK Office Location, GK Work Vehicle and GK Storage Trailer and franchised Business, including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any customer, visitor, manager, operator, supplier, employee or guest of the GK Office Location, Garage Kings Business, GK Work Vehicle or GK Storage Trailer; crimes committed on or near any of the premises or facilities of your franchised Business, GK Work Vehicle and GK Storage Trailer used by your franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your GK Office Location, GK Work Vehicle and GK Storage Trailer whether or not any of the foregoing was approved by us; defects in any GK Office Location, GK Work Vehicle and GK Storage Trailer you construct or operate, whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the franchised Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the franchised Business and/or the GK Office Location (or any third party acting on your behalf or at your direction), whether in connection with the franchised Business, the GK Office Location, GK Work Vehicle, GK Storage Trailer or otherwise,

including (without limitation) any property damage, injury or death suffered or caused by any vehicle serving your franchised Business; any claim, however and wherever asserted, that we or our affiliates are the employer, joint employer or co- employer of you and/or your employees; all liabilities arising from your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; and, any action by any customer of yours or visitor to your GK Office Location, GK Work Vehicle and GK Storage Trailer or any other facility operated in conjunction with your franchised Business.

As used above, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Parties' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Parties' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, judicial or administrative investigation, proceeding, claim, demand, inquiry or any other event that could be the basis for an Indemnification Claim within three days of your actual or constructive knowledge of it. At our election, you will also defend us and the other Franchisor Parties (including us) against the Indemnification Claim. We will have the right, at your cost, to control the defense of any Indemnification Claim (including the right to select its counsel or defend or settle any Indemnification Claim at your sole expense) if we determine that such Indemnification Claim may directly or indirectly affect the interests of any of the Franchisor Parties (including us). Or undertaking of defense and/or settlement will in no way diminish your obligation to indemnify the Franchisor Parties and hold them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to any Indemnification Claim if, in our sole judgment, there are reasonable grounds to do so. None of the Franchisor Parties (including us) shall be required to seek recovery from third parties or otherwise mitigate their losses to claim indemnification from you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable from you by any of the Franchisor Parties (including us). The indemnification obligations of this Section 8.10 will survive the expiration or sooner termination of this Agreement.

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your GK Office Location, GK Work Vehicle, GK Storage Trailer, and/or visit any locations at which you have provided or are providing programs, products or services to customers or at which you maintain business records, and inspect and audit the programs, products, and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement. We may conduct such inspections with or without prior notice to you. You shall cooperate with us and our representatives conducting such inspections by rendering any assistance as we or they may reasonably request. Following any such inspection, you agree to take such steps as are necessary to, and incorporate into your GK Office Location, GK Work Vehicle and GK Storage Trailer and your

franchised Business any reasonable corrections and modifications we require to, maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.11. Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your GK Office Location, GK Work Vehicle and GK Storage Trailer, and/or visit any locations at which you have provided or are providing products, programs, or services to customers or at which you maintain business records, and inspect and audit the products, programs and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement and the System standards. We may conduct such inspections with or without prior notice to you. You shall cooperate with our representatives conducting such inspections by rendering any assistance they may reasonably request. Following any such inspection, you shall take such steps as are necessary to incorporate into your GK Office Location, GK Work Vehicle and GK Storage Trailer and your franchised Business operations any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.12. Intellectual Property You Develop

You hereby permanently and irrevocably assign to us any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by you, your owners, your GK Business Manager, assistant GK Business Managers or any of your employees on your behalf, if developed in whole or in part in connection with your franchised Business, GK Office Location, GK Work Vehicle and GK Storage Trailer: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your franchised Business. We may authorize ourselves, our affiliates and/or other franchised Businesses to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised Business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

8.13. Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards which we may specify in our Manual or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes.

Further, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of example only, “smart phone” payment transactions.

8.14. Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all

security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.11) harmless from any and all claims and liabilities related to same. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.13 and any other proof of such compliance that we may reasonably require.

8.15. Hours of Operation

You agree to continuously operate your Business on the days and during the minimum hours that we from time to time may specify in our Manual or otherwise, including but not limited to, operating your Garage Kings Business during the months of March through June and the months of September through November (the "Peak Season). Subject to Section 19.01, you acknowledge and expressly agree that you will not close your Garage Kings Business for any three-week period during the Peak Season. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules, or regulations.

8.16. Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any transferee of this Agreement which is a business entity):

1. Furnish us with all of your formation, organizational and governing documents; a schedule of all owners (indicating as to each its percentage ownership interest); any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).

2. Your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the franchised Business.

3. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

4. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a franchised Business pursuant to one or more franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Franchise Agreement" clause reciting the following: "To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the [name of Franchisor] Franchise Agreement, the parties hereto agree that the provisions of such Franchise Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the GK USA FRANCHISE LLC Franchise Agreement."

5. You will maintain stop instructions against the transfer on your business entity's corporate records of any securities or other ownership interests, and will not issue securities or other evidences of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:

> "The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more Franchise Agreements with GK USA FRANCHISE LLC and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions."

6. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity's shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.17. Staffing and Training

You agree to staff your franchised Business in accordance with the specifications and criteria we set forth in our Manual concerning the selection, qualifications, hiring, training, pre-training, and post-training of your personnel. You agree to maintain a competent, conscientious, trained staff in sufficient numbers as necessary to promptly, efficiently and effectively service customers. You shall take such steps as are necessary to ensure that your employees preserve good customer relations and comply with the standards of appearance, dress code, manner and demeanor we establish in our Manual or otherwise.

To impart to your management and employees the latest procedures, techniques, policies and standards of the Garage Kings System, you agree to conduct the in-house meetings, training sessions, electronic training programs or other programs that we specify in our Manual or otherwise or as you – using your reasonable business judgment – determine are necessary, appropriate or desirable, using any material and programs we may provide for this purpose.

8.18. Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your customers to procure customer testimonials and endorsements of the products or services furnished by your Garage Kings Business and any related products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

8.19. Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.10(E). If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.20. No Conflicting Agreements

During the Term of this Agreement, you may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

8.21. Taxes

You shall promptly pay when due all taxes levied or assessed upon your franchised Business including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any bona fide dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your franchised Business, your GK Office Location, GK Work Vehicle or GK Storage Trailer or any improvements thereon.

8.22. Government Actions

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other

governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your franchised Business.

8.23. Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws; and (v) immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, shareholders, employees or service providers). You must also comply with payment card industry ("PCI") standards, norms, requirements and protocols, including PCD Data Security Standards.

9. INSURANCE

9.01. Your Required Insurance Coverage

A. Within ten (10) days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that the lease for your GK Office Location, GK Work Vehicle and/or GK Storage Trailer may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your franchised Business; your franchised GK Office Location, GK Work Vehicle and GK Storage Trailer; all activities conducted in, at or from your Business, GK Office Location, GK Work Vehicle and GK Storage Trailer; all facilities which may be situated upon your Business's GK Office Location premises; and, all activities arising from or related to the construction, operation or occupancy of your GK Office Location, GK Work Vehicle and GK Storage Trailer. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Manual or otherwise in writing and, as noted below, are subject to change:

1. Broad form comprehensive general liability coverage of at least $2,000,000 aggregate and at least $1,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage, product liability and completed operations. This insurance may not have a deductible or self-insured retention of more than $2,500;

2. Broad form coverage on your GK Office Location (which includes the building, equipment, inventory and tools) in an amount adequate to replace them in case of an insured loss, basis of settlement to be replacement cost;

3. Business interruption coverage, actual loss sustained, in amounts sufficient to cover your business rental expenses, maintenance of competent personnel and other fixed expenses for a period of 12 months;

4. Automobile liability insurance (including coverage for your GK Work Vehicle, GK Storage Trailer and all owned, non-owned, leased or hired vehicles with minimum limits

of liability in the greater of: (i) the greatest amount required by any applicable federal, state or local law; or (ii) $1,000,000 per occurrence;

5. Employer's liability (with a minimum standard limit of $500,000/$500,000/$500,000), workers' compensation, and any other insurance that may be required by statute or rule of the state or locality in which the Garage Kings Business is located and operated;

6. Any insurance coverage required by the terms of the lease for your GK Office Location; and

7. Any other insurance coverage we may require in the future.

In addition to the foregoing, in connection with any construction, renovation, refurbishment or remodeling of the GK Office Location, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

B. The insurance coverage that you acquire and maintain under this Article 9 must:

1. Name us and the other Franchisor Parties identified in Section 8.10 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).

2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Parties.

3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.

4. Contains such endorsements as we may specify from time to time in the Manual.

5. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Parties.

6. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.

7. Contain a waiver of subrogation rights against us, the other Franchisor Parties identified in Section 9.11 and any of our successors and/or assigns.

8. Be obtained from responsible insurance carriers acceptable to us which possess a Best's Insurance Guide rating of no less than "A+13".

9. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under said policies on any loss occasioned to us or the other Franchisor Parties by reason of your negligence or that of your servants, agents or employees.

C. All liability insurance you are required to maintain will insure against our vicarious or imputed liability for actual and (unless prohibited by applicable law) punitive damages assessed against you, us and/or the other Franchisor Parties.

D. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

E. If there is a claim by any one or more of the Franchisor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 9.01.

F. You agree that we may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Manual, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

9.02. Certificates of Insurance

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Manual. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Parties identified in Section 8.10 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

9.03. Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04. No Undertaking or Representation

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the franchised Business. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

9.05. Failure To Purchase Insurance or To Reimburse

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

10. ADVERTISING

10.01. Administration of the National Marketing Fund

We currently require you to contribute to our National Marketing Fund, pursuant to the following provisions:

A. The National Marketing Fund Contribution will not exceed 3% of your weekly Gross Revenues, which, combined with the contributions made by all other Garage Kings franchisees, and by us or our affiliates, will constitute the National Marketing Fund (or the "Fund").

B. We will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

C. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local marketing, including (without limitation): television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Garage Kings website; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local marketing materials; accounting for National Marketing Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees.

D. We need not maintain the sums paid by franchisees to the National Marketing Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend monies from the National Marketing Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the National Marketing Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the National Marketing Fund. Our right to expend monies from the National Marketing Fund to reimburse us for such activities is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency.

E. Within 60 days following the close of our fiscal year, we will prepare (but not audit) a statement detailing National Marketing Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

F. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, we may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for them to spend on local marketing and promotion (as provided for in subsection G). If we advance and expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the following fiscal year for all such advanced sums, with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we advance and expend any such sum).

G. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their National Marketing Fund contributions for local marketing expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total National Marketing Fund Contributions collected from all Garage Kings franchisees and company-owned Businesses is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned Businesses on a pro rata basis. Franchisees must expend any rebate on the types of local marketing and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Manual or otherwise.

H. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Web site (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Garage Kings brand and the franchise opportunity.

I. Although the National Marketing Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

10.02. Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your franchised Business in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, your franchised Business, the System, your GK Office Location, GK Work Vehicle, GK Storage Trailer or other Garage Kings franchisees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Manual or otherwise.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement

unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term "advertising" is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and "bulletin boards"; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as "advertising" in our Manual or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising materials you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved). Our approval of any of your proposed advertising materials may be withheld for any or no reason. If we do not respond within ten business days following our documented receipt of your proposed advertising materials, then our approval will be deemed withheld and the proposed advertising material not approved. You acknowledge that our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you waive any possible claims against us to the contrary. Any advertising materials you submit to us for our review will become our property, and there will no restriction on our use or distribution of these materials.

10.03. Grand Opening Advertising

We will provide grand opening advertising design for you to use in connection with your Grand Opening Advertising. You must conduct Grand Opening Advertising at your sole cost and expense at least thirty (30) days prior to you commencing operations. In addition to the Grand Opening Advertising that we will provide, you are required to register for local home shows, home improvement expos and conduct other forms of local advertising to promote your business and secure customers.

10.04. Local Marketing and Promotion

In addition to paying your National Marketing Fund Contribution, you are required to annually expend no less than ten percent (10%) of your annual Gross Revenues on local marketing and promotion for your Garage Kings Business during each of your first two (2) calendar years in business. Thereafter, you are required to annually expend at least five percent (5%) of your annual Gross Revenues on local marketing and promotion for your Garage Kings Business. "Local marketing and promotion" means the local or regional advertising and promotional activities (other than digital advertising activities) that we specify in our Manual or otherwise, or approve in advance as provided in Section 10.02.

On or before January 15 of each year during the term of this Agreement, and at any other times that we may require, you agree to furnish to us copies of all statements, invoices and checks issued during the preceding year showing that you have spent the required amounts for local marketing. You further agree to furnish to us an accurate accounting of all expenditures for local marketing and promotion in the previous calendar year, at the same time that you submit the annual financial statements required by Section 11.01 below.

You will be entitled to a credit against your minimum local marketing and promotion requirement for contributions made to an advertising cooperative (as provided for in Section 10.05).

10.05. Regional Advertising Cooperatives

We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Businesses (each a "Regional Advertising Cooperative"). We will furnish to you written notice of the establishment of any Regional Advertising Cooperative for your Territory. The notice will specify the date you are to begin contributions and the amount of the contributions. Contributions will be calculated as a percentage of Gross Revenues as defined in Section 10.03 above. Your contributions to a Regional Advertising Cooperative will not be less than 1% nor more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the bylaws of the Cooperative. You will be entitled to a credit against your minimum local marketing and promotion requirement as set forth in Section 10.03 for contributions made to an advertising cooperative; provided, however, that if your contributions to a Cooperative are less than your local marketing requirement, you shall nevertheless spend the difference locally Garage Kings Businesses that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Cooperative on the same basis as required of franchisee members of the Cooperative. All Regional Advertising Cooperatives will be governed by Bylaws in the form of Exhibit F, except as modified to conform with the laws of any specific jurisdiction.

The Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (viii) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Cooperative, including legal and accounting services. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee. Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 18.03, may result in this Agreement being terminated.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS, AND PRIVACY

11.01. Financial Statements

A. No later than 90 days following the end of each of your fiscal years during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the franchised Business's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

B. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

C. No later than 30 days following your filing of the annual tax returns of the franchised business, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your entity’s status has been impaired.

D. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 12 then you agree to pay us a late charge of $100 per month that each financial

statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

E. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Business are not individually identified.

11.02. Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your franchised Business. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your franchised Business. We may specify, in our Manual or otherwise, the forms and media that you will be required to use in recording your franchised Business' Gross Revenues and expenditures. You agree to keep and preserve for seven years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Manual or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your franchised Business. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your GK Office Location, GK Work Vehicle, GK Storage Trailer and any other offices at which the Business is administered, in a fashion calculated not to disrupt your Business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Manual (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the franchised Business. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the licensed business.

If an audit reveals that you understated the Gross Revenues on your monthly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in subsection 5.04 (D). If an audit reveals that you understated the Gross Revenues on your monthly reports to us by more than 2% but less than 5% for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due and interest calculated as provided in subsection 5.04 (D), you agree to immediately pay us the full cost of the audit for the entire period of examination. If an audit reveals an understatement by you of 5% or more for any month within the period of examination, or for the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in subsection 5.04 (D) and the full cost of the audit for the entire period of examination, your understatement will be a material

and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If an audit reveals that you understated your Gross Revenues by 2% or less for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01. Restriction on Use of Confidential Information

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your franchised Garage Kings Business. You further agree that you will never – during the Initial Term or any Renewal Term of this Agreement, or any time after this or any Successor Agreement expires or terminates, or your rights under this Agreement or any Successor Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or "reverse engineer" any of our Confidential Information.

"Confidential Information" means all information, knowledge, trade secrets or know-how utilized or embraced by the Garage Kings System or which otherwise concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software. Confidential Information includes (without limitation): all elements of the Garage Kings System and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the Garage Kings System; our Manual (including Supplements to the Manual); all specifications, sources of supply, all procedures, systems, techniques and activities employed by us or by you in the offer and sale of products and/or services at or from your franchised Garage Kings Business; all pricing paradigms established by us or by you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the modification, design, renovation, décor, equipment, signage and trade dress elements of your GK Office Location, GK Work Vehicle and/or GK Storage Trailer; the identity of, and all information relating to, the computer and POS hardware and software utilized by us and you; all information pertaining to our and/your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your franchised Business; our (and, if in the future we permit, your) internet/web protocols, procedures and content; our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us (including the financial and other reports you are required to submit to us under this Agreement); additions to, deletions from and modifications and variations of the components of the Garage Kings System and the other systems and methods of operations which we employ now or in the future; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we disclosed it to you (unless illegally or improperly procured by you before our disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and nonfinancial books and records; the Manual; and, computer databases, software and manuals) which is then in your

possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your franchised Business is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. You agree to take all necessary precautions to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement from certain of your owners, management and staff is set forth below in Section 12.05.

12.02. Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Renewal Term of this Agreement, and (ii) within twenty-five miles of the perimeter of your Territory (as applicable) or any other franchised or company-owned Business (regardless of how established or operated) or (iii) within the Territory, for a period two years immediately following the termination or expiration of this Agreement or any Renewal Agreement for any reason, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or activity (a "Competitive Business") which offers or sells any of the programs, products or services which now or hereafter are authorized for sale under the System or component thereof in any manner; which offers or sells similar or related programs, products or services (including, but not limited to, concrete floor coating systems); which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the franchised Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial or any Renewal Term of this Agreement, and for two years following the termination or expiration of same for any reason, you agree not to sell, assign, lease, sublease or otherwise grant possession of your GK Office Location, GK Work Vehicle or GK Storage Trailer to any individual or entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your GK Office Location, GK Work Vehicle or GK Storage Trailer to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction).

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in- law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all

instances, you shall also cause your Operating Principal, GK Business Manager, and all other key management employees of your Business to refrain of any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

12.03. Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

12.04. Enforcement of Covenants Not To Compete

You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

12.05. Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement attached hereto as Exhibit G from all of the following persons:

1. Before employment or any promotion, your Operating Principal, GK Business Manager and all other managerial personnel; and,

2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten days following their execution.

12.06. Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement.

If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your franchised Garage Kings Business who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

13. TRANSFER

13.01. Transfer By Us

We will have the right to Transfer this Agreement, and all of our rights and privileges under this Agreement, to any person or business entity, provided that: (i) the transferee must, at the time of assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and (ii) the transferee must expressly assume and agree to perform these obligations.

You agree and affirm that we may sell our company, our assets, our Proprietary Marks and/or System to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other business entities or be acquired by another business entity; and/or, may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring. With regard to any such sale, assignment, merger, acquisition or financial activities, you expressly and specifically waive any claims, demands or damages arising from our related to the substitution of our name, Proprietary Marks (or any variation thereof) and System; the loss of association with us or identification of us as the "Franchisor" under this Agreement; and, any and all other claims, demands or damages arising from or related to such activities.

If we Transfer this Agreement, as provided herein, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation – directly, indirectly or contingently – to perform or fulfill the duties and obligations imposed upon "Franchisor" hereunder.

Instead, all such duties and obligations will be performed solely by our transferee, and you will never assert, contend or complain otherwise.

13.02. Transfer By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skill and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Franchise Agreement and the franchise conveyed hereunder is therefore personal to you and is your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; the franchised Business; the ownership of your franchised Business; or, your rights to use the Garage Kings System, Proprietary Marks, Confidential Information and Manual may in whole or in part be assigned, sold, transferred, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion (a "Transfer") without first obtaining our written consent in accordance with this Article 13 and without first complying with our right of first refusal pursuant to Section 13.06 below. Notwithstanding the foregoing, you will not be required to obtain our consent nor will our right of first refusal be triggered by the Transfer of your GK Office Location, GK Work Vehicle or GK Storage Trailer, so long as you comply with the following requirement to replace such GK Office Location, GK Work Vehicle and/or GK Storage Trailer in accordance with Article 6 above. In the event that you elect to sell, assign, transfer or otherwise dispose of your GK Office Location, GK Work Vehicle and/or GK Storage Trailer, you expressly agree to remove: (i) the vehicle wrap affixed to your GK Vehicle and/or GK Storage Trailer which utilizes our Proprietary Marks; and (ii) any and all Garage Kings proprietary products stored within your GK Office Location, GK Work Vehicle and/or GK Storage Trailer prior to the consummation of such sale, assignment or transfer.

Any actual or attempted assignment, transfer or sale of this Agreement, the franchise conveyed hereunder, the franchised Business, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 13, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

If you are a business entity, then for the purposes of this Agreement "Transfer" includes (without limitation) the assignment, transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the franchised Business, as the term "control" is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your franchised Business; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such Transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Manual or otherwise.

13.03. Transfer By You – To A Business Entity You Form

If you would like to Transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as "Franchisee" under this Agreement.

B. Each individual involved in the new entity has the same proportionate ownership interest in the new entity as he or she had in the franchised Business before the assignment.

C. You and the business entity must execute an agreement with us under which you and the business entity agreed to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, in the form of Exhibit H to this Agreement.

D. Each present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement in the form of Exhibit G to this Agreement.

E. The name of the business entity formed by you may not include the Proprietary Mark "Garage Kings," any variant thereof or any word confusingly similar thereto.

F. All of your business entity's organizational documents and evidences of ownership interests (such as stock certificates) must state that the issuance and transfer of any interest in the business entity are restricted by the terms of this Agreement and subject to our prior written consent.

Any Transfer pursuant to this Section 13.03 will not be subject to our right of first refusal below and will not require you to pay to us a transfer fee.

13.04. Transfer By You – Sale To Third Party

You may not Transfer all or any interest in you (if you are a business entity), the franchise conferred by this Agreement, your franchised Business your right to use the Garage Kings System, Proprietary Marks, Confidential Information and/or Manual, or any interest in any of these, to a third party without our prior written consent. If we do not elect to exercise our right of first refusal (as provided in Section 13.06 below), which right shall not apply in the event that the transferee is a member of your immediate family, then we will not unreasonably withhold consent to the assignment and sale. You agree that it will not be

unreasonable for us to impose, among other requirements, the following conditions to granting consent to the proposed assignment and sale:

1. That the proposed assignee applies to us for acceptance as a franchisee, and furnishes to us the information and references that we request to determine the proposed transferee's skills, qualifications, financial condition, background and history, reputation, economic resources and ability to assume your duties and obligations under this Agreement and any related agreement. You must pay the costs of any such investigation conducted by us.

2. That the proposed transferee (or, if an entity, the principals of the proposed transferee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with your proposed transferee at his, her or its principal place of business or residence and, if we do, you will reimburse us for all travel, lodging, meal and personal expenses related to such activity.

3. That the proposed transferee (or, if an entity, the principals of the proposed transferee) demonstrates that it has the skills, qualifications, ethics, moral values and economic resources necessary, in our reasonable judgment, to conduct the Business contemplated by this Agreement.

4. That the proposed transferee (and, if the proposed transferee is a business entity, each and every owner or guarantor of the proposed transferee) comply with our restrictions relative to involvement in any business which competes with the franchised Business.

5. That the proposed transferee; his/her/its proposed Operating Principal and/or GK Business Manager; and, such other post-transaction employees of the franchised Business attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the transferee's expense (which will include our then- current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement in the form of Exhibit G to this Agreement. We may waive these requirements if the proposed transferee is one of our existing franchisees in good standing.

6. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates (under this Agreement or otherwise), all sources of financing of your Business and all material sources of supply of your Business.

7. That the transferee executes a new Franchise Agreement and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to prospective franchisees, which terms and conditions may vary significantly from this Agreement. The transferee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The term of the new Franchise Agreement will be equal to the balance of the term of this Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, will survive.

8. That the transferee has acquired, or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the franchised Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the transferee, then you agree to do so immediately following our execution of the transferee's new Franchise Agreement.

9. That the Total Sales Price is not so excessive, in our sole determination, that it jeopardizes the continued economic viability and future operations of the franchised Business and/or the transferee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the franchised Business, whether money, property or other thing or service of value including consideration received for your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; your furniture, fixtures, equipment and trade dress elements; accounts receivable; any consulting salary; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to the assignor or any other person in the future (including the highest possible value of any contingent future consideration).

10. That if the transferee is a business entity, then the owners of that business entity must execute a Guarantee in the form of Exhibit H to this Agreement.

11. That you, if you are a business entity; all of your owners and guarantors; and, the transferee (and, if it is a business entity, all of its owners) execute a General Release of any and claims, demands and causes of action which you, such owners or the transferee may or might have against us and/or our affiliates and/or any of the Franchisor Parties through the date of execution of the transferee's new Franchise Agreement.

12. That if the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we will execute the new Franchise Agreement and, as applicable, will continue to be complied with thereafter.

13. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).

14. That you pay us a transfer fee of Five Thousand Dollars ($5,000). Notwithstanding the foregoing, there will be no transfer fee if the transferee is a member of your immediate family.

15. That the proposed transferee provides proof of its ability to secure a GK Office Location, GK Work Vehicle and GK Storage Trailer to be used in connection with the operation of its Garage Kings Business that conforms to our specifications and standards.

16. That the transferee agrees to assume all outstanding customer product and installation warranties, including, the expenses for any required: (i) removal and/or reinstallation of the concrete floor coating system and/or (ii) repurchase of the proprietary products.

You expressly agree that your obligations to indemnify and hold harmless us and the other Franchisor Parties under Section 8.11 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed transferee and/or any claim that you (and, if you are a business entity, your owners, your GK Business Manager, management or employees) or your transferee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

The provisions of Section 13.02 through Section 13.04 inclusive pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control

of all or any part of the operations of your franchised Business to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the franchised Business must meet such standards and conditions as we have put in place at the time you request our consent.

13.05. Transfer By You – Transfer Upon Death or Disability

A. Upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legitees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your Franchised Business; or, (iii) the Business itself. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your Business shall be subject to all of the provisions of Section 13.04 of this Agreement ("Transfer By You – Sale to a Third Party"). You agree to immediately report to us all such transfers or assignments of ownership in your business entity in accordance with the procedure set forth in our Manual or otherwise.

B. Upon your death or disability (as defined below) (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, as heirs, legates, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate may continue the operation of your franchised Business if: (i) the Estate provides competent and qualified individuals acceptable to us to serve as Operating Principal and GK Business Manager and operate your franchised Business on a full-time basis; (ii) the Operating Principal attends and successfully completes our next offered Initial Training Program at the Estate's expense; and, (iii) the Operating Principal assumes full-time operation of your Business within one month of the date you or your last surviving owner (as applicable) dies or becomes disabled. In the alternative, the Estate may sell the Business within six months of the death or long-term disability in accordance with the provisions of Section 13.04 and subject to our right of first refusal under Section 13.06. Failure to comply with one of these alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately. Any transfer pursuant to this Section 13.05 will not require you to pay us any transfer fee.

Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety consecutive days. Disability will be determined either after this ninety-day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

From the date of death or disability until a fully trained and qualified Operating Principal assumes full-time operational control of the franchised Business, we may assume full control of and operate the franchised Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our expenses for travel, lodging, meals, and all other expenses and fees from the Business's Gross Revenues and pay ourselves a management fee (the "Management Fee") equal to the greater of (i) two times the compensation paid to the individual(s) assigned by us to operate the Business, or (ii) 10% of the Business's monthly Gross Revenues. This Management Fee will be in addition to the Continuing Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate must pay us any deficiency in sums due to us under this Agreement within ten (10) days of our notifying

the Estate of the deficiency. We will not be obligated to operate your Business. If we do so, we will not be responsible for any operational losses of the Business, nor will we be obligated to continue operating the Business.

13.06. Right of First Refusal

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the franchised Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where no such right will pertain), which right of first refusal we may freely assign to any individual or entity. We will exercise our right of first refusal in the following manner.

1. You must deliver to us a true and complete copy of the proposed transferee's offer (the "Offer") including all its material terms and furnish to us any additional information concerning the proposed transaction and the proposed transferee that we reasonably request.

2. Within 60 days after our receipt of the Offer (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold its consent to the assignment, transfer or redemption, in accordance with this Article, or at our option accept the assignment, transfer or redemption for ourselves or to our designee, on the terms and conditions specified in the notice. If we or our designee accept the assignment, transfer or redemption we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment, transfer or redemption shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose determination will be final and binding on us.

3. If you are a business entity and a partial transfer is proposed through the assignment, transfer or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.
4. Our credit will be considered at least equal to the credit of any proposed transferee. We may substitute cash for the fair market value of any other form of payment proposed in the offer.

5. If we give notice of exercise of our right of first refusal, we will be given at least sixty days after our notice to prepare for closing.

6. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to Transfer this Agreement or the franchised Business to your proposed transferee on the terms and conditions specified in the notice if you satisfy the conditions of Section 13.04 for our approval of an assignment, transfer or redemption and if you close the transaction within sixty days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your Offer are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty days thereafter.

7. Our election not to exercise our right of first refusal with regard to any Offer will not affect our right of first refusal with regard to any later or modified Offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, transferee, redemption or the transaction itself. You and any proposed transferee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the franchised Business specified in this Article 13.

Notwithstanding the foregoing, our right of first refusal shall not be triggered if the transferee is a member of your immediate family or in the event of the assignment, sale or transfer of your GK Office Location, GK Work Vehicle or GK Storage Trailer.

13.07. No Encumbrance

You will have no right to pledge, encumber, mortgage, hypothecate or otherwise give any third party a security interest in this Agreement and the franchised Business in any manner without our prior written permission, which we may withhold for any reason.

13.08. No Waiver of Claims

Our consent to any sale, transfer or assignment under this Article 14 shall not constitute a waiver of any claims we may have against you, your Franchised Business, any of your owners and/or any of your Guarantors, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any transferee.

14. PROPRIETARY MARKS

14.01. Our Ownership of Proprietary Marks

You agree that the Proprietary Marks are our (or our affiliates') exclusive property. You assert and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the Term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity's name. You may never use the Proprietary Marks in connection with any other business except for the franchised Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our affiliates' rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us, our affiliates and other authorized parties.

14.02. Limitations on Your License to Use the Proprietary Marks

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates') Proprietary Marks except as a mere privilege and license, during the Term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Manual or

in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Manual or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the franchised Business, your GK Office Location, GK Work Vehicle or GK Storage Trailer, including any "local goodwill," which, you expressly agree, exclusively vests in us.

14.03. Use and Display of Proprietary Marks

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Manual or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the franchised Business or in permitted advertising for the franchised Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Manual's instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your franchised Business, including your GK Office Location, GK Work Vehicle, GK Storage Trailer, your franchised Business's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Manual or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Manual. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your franchised Business in any fashion whatsoever except as we may expressly provide in our Manual or as we may approve in writing.

14.04. Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your franchised business under the assumed business name "Garage Kings," without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem

necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your franchised Business as an independently owned and operated franchised business in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Business. You agree to place this notice of independent ownership in your GK Office Location, GK Work Vehicle, GK Storage Trailer and any other facilities of your franchised Business and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Manual or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "Garage Kings" or any segment or variant hereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

14.05. Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to you under this Section 14.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement and/or the Manual.

14.06. Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees.

14.07. Discontinuance or Substitution of Proprietary Marks

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt and use one or more additional or substitute Proprietary Marks,

then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your franchised Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You waive any claim or any such expenses, losses or damages and covenant not to commence or join in any litigation or other proceeding against us or any of our affiliates for any of these expenses, losses or damages.

15. RELATIONSHIP OF THE PARTIES

15.01. Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the franchised Business.

15.02. Franchisee is the Sole and Exclusive Employer of its Employees

Franchisee hereby irrevocably affirms, attests and covenants its understanding that in no fashion is Franchisee, or may Franchisee be deemed to be, Franchisor's employee (under any theory or definition of "employee" or "employment") and that Franchisee's employees are employed exclusively by Franchisee and in no fashion is Franchisee or any such employee either employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of its employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of its employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities

(workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate its employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that Franchisee's Business is at all times staffed at those levels necessary to operate Franchisee's Business in conformity with the System and the products, services, standards of quality and efficiency, and other Garage Kings brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that it may staff its Business with as many employees as it desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations it may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate its Business, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with ultimate authority, the various procedures, protocols, systems and operations of a franchised Business and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of Franchisee or any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, then should any such appearance by Franchisee be required or requested by Franchisor will recompense Franchisee the reasonable costs associated with Franchisee appearing at any such venue (including travel, lodging, meals and per diem salary).

16. DEFAULT AND TERMINATION

16.01. Termination By Us – Automatic Termination Without Notice

You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the GK Office Location, GK Work Vehicle or GK Storage Trailer or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.02. Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 25.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not commence operations of your Business by the date specified in Section 8.01 of this Agreement; cease operating the franchised Business; abandon the franchise relationship established under this Agreement; or, fail to operate your Business for any three-week period within the Peak Season, unless your failure to operate is due to force majeure (as defined in Article 19.01 of this Agreement).

2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.

3. You lose the right to possession of your GK Office Location, GK Work Vehicle(s) and/or GK Storage Trailer(s) and you are unable to secure a replacement GK Office Location, GK Work Vehicle(s) and/or GK Storage Trailer(s).

4. You at any time cease to operate or otherwise abandon your Business, or otherwise forfeit the right to do or transact business in the jurisdiction where your Territory is located, or abandon the franchise relationship established under this Agreement; or, fail to operate your Business for any three week period within the Peak Season during which you are required to operate it under this Agreement, provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, war, riot, epidemic, acts of terrorism, or other forces beyond your control), if through no fault of yours the GK Office Location, GK Work Vehicle and/or GK Storage Trailer are damaged or destroyed by an event as described above, provided that you notify us of such circumstances within thirty (30) days after such event, and you diligently pursue the replacement of the GK Office Location, GK Work Vehicle and/or GK Storage Trailer.

5. You, your Operating Principal, your GK Business Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the franchised Business, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.

6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the franchised Business or your Business to any third party in violation of the terms of this Agreement.

7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.

8. You, your Operating Principal, your GK Business Manager, installers and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement).

9. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.

10. You do not maintain the financial records required by Section 11.02 of this Agreement.

11. We or our designee conducts an audit of your franchised Business which discloses that any monthly report or statement which you submitted to us understated your Gross Revenues by 5% or more for any month within the period of examination, or for the entire period of examination.

12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.

13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.

14. After curing a default which is subject to cure under Section 16.03 below, you commit the same act of default again within six (6) months.

15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your franchised Business, your GK Work Vehicle and GK Storage Trailer.

16. You interfere or attempt to interfere in any manner with our or our affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.

17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.

18. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the franchised Business.

19. You commit three (3) material events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us.

20. You, your Operating Principal, your franchised Business and/or your GK Business Manager violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.

21. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three (3) days following written notice from us.

22. You purchase any proprietary programs, products or services from us or our affiliates, or purchase from us, our affiliates or any third-party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.

23. You operate your franchised Business, your GK Office Location, GK Work Vehicle and/or GK Storage Trailer in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Business; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Business.

24. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Manual, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your franchised Business.

25. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.

26. You default under any agreement between you and any lending institution, lessor or sublessor of your GK Office Location, GK Work Vehicle or GK Storage Trailer and you do not cure the default within the period specified in the lease or sublease for your GK Office Location, GK Work Vehicle or GK Storage Trailer (as applicable).

16.03. Termination by Us – Thirty Days to Cure

Except as provided in Section 16.01, 16.02 or in this Section 16.03, you will have thirty calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 25.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 16.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Manual and/or all Supplements to the Manual or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your franchised Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Manual or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.

3. Your franchised Business offers and sells any programs, products or services that we do not authorize under this Agreement or our Manual.

4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.

5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.

6. You fail to pay any taxes due and owing by your franchised Business (including employee taxes) when due.

7. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.

8. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.

9. By act or omission, you permit a continued violation in connection with the operation of the franchised Business of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.

10. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.

11. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.

12. You fail to operate your Business during the days and hours specified in our Manual without our prior written approval.

13. You fail to maintain and operate your Business, your GK Office Location, GK Work Vehicle and/or GK Storage Trailer in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Manual or otherwise.

14. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 30.02 of this Agreement.

15. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your franchised Business.

16. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.

17. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty days or, if any such judgment is subject to appeal, you do not prosecute such appeal within thirty (30) days (or such shorter period as any law, rule or regulation requires).

18. You fail to comply with any other requirement imposed by this Agreement or our standards, or otherwise fail to carry out the terms of this Agreement in good faith.

19. You fail to obtain executed Confidentiality/Non-Competition Agreements, as required.

20. You fail to procure and maintain the insurance policies required under this Agreement.

21. You fail to obtain our consent as required by this Agreement.

16.04. Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

16.05. Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Continuing Royalties or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

16.06. Cross Default

Any default or breach by you, your affiliates and/or any guarantor of yours of the lease or sublease for the GK Office Location, GK Work Vehicle or GK Storage Trailer or any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof.

16.07. Continuance of Business Relations

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

16.08. Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

16.09. Franchisor's Right to Send Notifications of Termination

Before or on the expiration or termination of this Agreement, we may give notice that the Business is leaving the System and take any other action related to customers, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of our System Garage Kings Business.

17. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

17.01. Further Obligations and Rights Following the Termination or Expiration of this Agreement

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the franchised Business.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all royalties, fees, and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lessors, lenders and all other third parties.

2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Garage Kings Business or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Garage Kings franchisee.

3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Garage Kings", or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Garage Kings", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 16.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor franchised business within the Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

5. Immediately deliver to us all training or other materials furnished to you (including the Manual and Supplements to the Manual), all Confidential Information, computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.

6. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

7. At our option, either change the telephone numbers utilized by your franchised Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the franchised Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.

8. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 13 of this Agreement (including those restricting your ability to sell, assign, lease or

otherwise grant possessory rights to your GK Office Location, GK Work Vehicle or GK Storage Trailer to a party intending to conduct a Competitive Business thereat).

9. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.

10. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the franchised Business. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer systems.

11. Promptly "de-identify" the GK Office Location, GK Work Vehicle and GK Storage Trailer in all respects by performing all redecoration and remodeling, and effecting physical changes to the GK Office Location's, GK Work Vehicle's and/or GK Storage Trailer's décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the GK Office Location, GK Work Vehicle and/or GK Storage Trailer from a duly authorized Garage Kings franchise. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the GK Office Location, GK Work Vehicle and/or GK Storage Trailer and effect such required changes at your sole risk and expense, and you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

18. OUR OPTION UPON TERMINATION OR EXPIRATION

18.01. Option to Purchase Your Franchised Business's Assets, Computers and Computer and Point of Sale Systems

A. Upon the termination or expiration of this Agreement for any reason, we, any of our affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within thirty (30) days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the franchised Business. The date on which such purchase is closed will be referred to as the "Closing Date." The following terms and conditions will apply to the option granted by this Article 18:

1. All saleable or usable proprietary products and inventory will be purchased at your original cost, less the cost of shipping such inventory to us and less a 25% restocking fee. As used in this Agreement, the term "saleable or usable" is defined to mean all items of merchandise which have been paid for by you, belong to you and are in a condition proper for current use or sale, specifically excluding items which require reconditioning or reworking; items which are not useable or saleable through normal distribution channels; items which are in excess of normal requirements for a three month period; items which are out of code, damaged and/or deteriorated; and, consigned merchandise.

2. All improvements, furniture, fixtures, supplies, equipment and trade dress elements will be purchased at for an amount equal to their depreciated book value.

3. All facilities and vehicles owned by you (or any affiliate) and utilized by the franchised Business will be purchased for an amount equal to their appraised value as determined by an appraiser we select and you and we share the expense of. If the parties cannot agree on such terms within a reasonable time, we will designate an independent appraiser. The appraiser's determination will be binding. We and you will each pay 50% of the fee charged by the independent appraiser.

4. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).

5. All property, real or personal, sold to us or our affiliate, nominee or designee (as applicable) under this Article 18 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney- in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 8.10 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 18.

18.02. Timing

If we exercise our option to purchase (or, with respect to your GK Office Location, GK Work Vehicle or GK Storage Trailer, lease) any of the assets of your franchised Business as provided in this Article 18, then the Closing Date shall be no later than sixty days after either you and we agree on the fair market value of the assets in question (or, with respect to the GK Office Location, GK Work Vehicle or GK Storage Trailer the commercially reasonable terms for our lease for such GK Office Location, GK Work Vehicle or GK Storage Trailer) or, if you and we cannot agree on same, no later than sixty days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 18.02 of this Agreement.

19. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

19.01. Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement,

provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

20. APPROVALS AND WAIVER

20.01. Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

20.02. Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, of any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

20.03. Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

20.04. No Warranty or Guaranty

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

21. OUR RIGHT TO CURE DEFAULTS

21.01. Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand.

22. INJUNCTION

22.01. Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security, and

without the requirement to prove the adequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with our efforts to secure such injunctive relief.

23. INTEGRATION OF AGREEMENT

23.01. Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in the preceding sentence, however, is intended to disclaim the representations we made in the franchise disclosure document that we provided to you. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of the franchised Business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to you pursuant to applicable law. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is authorized to furnish you with any financial performance information; that, if they nevertheless do, you have not relied on any such financial performance information given to you by any such individual; and, that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. You understand, agree and will never contend otherwise that your foregoing acknowledgment does not in any fashion constitute your waiver of any and all rights or protections which may be afforded you by any federal or state franchise or business opportunity law but, rather, is a conclusive statement of fact upon which we are relying. For the purpose of this Agreement, “financial performance information” means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or projected sales, expenses and/or profits of franchised or non-franchised Businesses.

24. NO ORAL MODIFICATION

24.01. No Oral Modification

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. You expressly acknowledge that no oral promises were made to you (or, if they were, that you are not relying and will not rely on any such oral promise) and that our obligations are confined exclusively to those set forth in this Agreement. You understand and assume the business risks inherent in this enterprise.

25. NOTICES

25.01. Notices, Requests and Protests

Any notice, request or protest required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized overnight delivery service capable, through “signature capture” or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Manual a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Notices to us:

GK USA FRANCHISE
LLC
1831 Delaware Avenue,
Wilmington, Delaware 19806
Attention: Troy Rainsberg, CEO

With a copy to:

Fisher Zucker LLP
21 South 21st Street
Philadelphia, PA
Attention: F. Joseph Dunn

Notices to You:

_____
_____

_____
_____
Attention: _____

Either party to this Agreement may, in writing, on ten days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

26. SEVERABILITY

26.01. Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

27. NO THIRD-PARTY BENEFICIARIES

27.01. No Third-Party Beneficiaries

This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third-party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

28. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

28.01. Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words "include", "includes", or "including" are used in a non-exclusive sense and shall be construed to mean "including without limitation."

29. COSTS OF ENFORCEMENT; ATTORNEYS' FEE; GOVERNING LAW; DISPUTE RESOLUTION; VENUE

29.01. Costs of Enforcement

If any party hereto commences or joins in (and, if applicable, appeals from) any legal action or proceeding against the other for the purpose of enforcing, or preventing the breach of, any provision of this Agreement; or for damages for any alleged or actual breach of any provision of this Agreement; or for a declaration of such party's rights or obligations hereunder; or to address or resolve any other dispute between the parties of any nature whatsoever which dispute directly or indirectly arises from or relates to this Agreement and/or the relationship between the parties created hereby, then the ultimately prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection with such legal action or proceeding (including, if applicable, any appeal thereof), including reasonable attorneys' fees, experts' fees, court costs and all other expenses sustained by the prevailing party.

29.02. Attorneys' Fees – Third Party Actions

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the "Franchisee Party(ies)") and/or your franchised Business by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any arbitration, litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, arbitrator's fees; court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

29.03. Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware's (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised Business is located outside of Delaware

and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section 29.03 is intended to invoke the application of any franchise registration and disclosure, franchise relationship, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law of the State of Delaware, or any other state, which given its jurisdictional scope (and absent this choice of law provision) would not otherwise apply, and Franchisee agrees to never contend otherwise.

29.04. Dispute Resolution

A. Except as provided below, all disputes or controversies between the parties including, without limitation, any disputes or controversies based upon, arising out of, or in any way connected with this Agreement, the franchisor–franchisee relationship created by this Agreement, or the construction, operation, or management of the Business, must first be submitted to our management. The parties will make every effort to resolve the dispute internally. You must exhaust this internal dispute resolution process prior to bringing a dispute before a third party. Matters which are not first resolved through the internal dispute resolution procedure shall be submitted to non-binding mediation conducted under the Mediation Procedures of the American Arbitration Association and if still unresolved, through arbitration under the Commercial Arbitration Rules of the American Arbitration Association, as modified or supplemented as provided below.

B. The following types of disputes and controversies will not be resolved through mediation or arbitration:
   1. Disputes and controversies arising under the Sherman Act, the Clayton Act or any other federal or state anti-trust law;
   2. Disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, or otherwise relating to the ownership or validity of Franchisor's Licensed Marks; and
   3. Disputes and controversies in any way relating to the provisions of the noncompetition covenants and confidentiality provisions.

C. Discovery during the course of the arbitration proceeding will be conducted in accordance with the Federal Rules of Civil Procedure. Any decisions of the arbitrator are binding and conclusive upon the parties.

D. Mediation or Arbitration must be conducted in Wilmington, Delaware. The Franchisee hereby irrevocably agrees that any proceeding arising out of or relating to this Agreement will be brought in Wilmington, Delaware. The Franchisee, by execution of this Agreement, irrevocably accepts and submits generally and unconditionally, for itself and with respect to its property, to the jurisdiction of any proceeding in Wilmington, Delaware, and waives, to the extent permitted by applicable law, defenses based on jurisdiction, venue, or forum.

29.05. Waiver of Jury Trial and Punitive Damages

A. The parties to this Agreement explicitly waive their respective rights to a jury trial in any litigation between them which is authorized or contemplated by this Agreement, and hereby stipulate that any such trial shall occur without a jury. As used in this section of the Agreement, the term "parties" includes you; your guarantor(s); if you are a business entity, your owners, officers, directors, shareholders, partners, members, managers, agents, representatives, independent contractors, servants and employees (as applicable) and, as to each of them, whether acting in their corporate or individual capacity; any other individual entity acting or purporting to act by, through, under or under authority granted by you; and, any affiliate of each of the foregoing.

B. You, your guarantors and your other parties (as defined in Section 29.05A) hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding

whatsoever between the parties to this Agreement and/or any of their affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from us of any actual damages sustained by you or them.

30. LIABILITY OF "FRANCHISEE"; GUARANTEE

30.01. Liability of "Franchisee"

The terms "Franchisee" and "you" as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner or the sole franchisee under this Agreement.

30.02. Guarantee

If you are a business entity, then we may require certain individuals or other entities (the "Guarantors") to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non- financial, by executing a guarantee substantially in the form of Exhibit H (the "Guarantee"). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the action or proceeding any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

31. SURVIVAL

31.01. Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

32. OUR BUSINESS JUDGMENT

32.01. Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long-term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those

activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

33. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

33.01. Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your franchised Business.

2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.

3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.

5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors, or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

33.02. Your Acknowledgments

You represent, warrant and acknowledge to us, with the intention that we will be relying thereon in entering into this Agreement, that:

1. No representation has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or "franchise seller," as that term is defined by law) which has been relied on by you or any of your affiliates as to the future or past revenues, income, expenses, sales volume or potential profitability, earnings or income of the franchised Business, or any

other Business or Business, other than any information we may have provided in our franchise disclosure document, nor have we or any of the foregoing made any representations, statements or promises to you which conflict with, contravene or vary from the contents of our franchise disclosure document. You acknowledge and agree, and covenant never to assert otherwise in any setting, that the foregoing representations (and your other representations in this Agreement) are statements of indisputable fact and thus do not constitute any waiver of any rights or protections which you may enjoy under any franchise or similar law, rule or regulation.

2. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) which has been relied on by you regarding our anticipated income, earnings and growth or that of the System, or the viability of the business opportunity being offered under this Agreement.

3. Before executing this Agreement, you have had the opportunity to contact all our existing franchisees.

4. You have been advised and given the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, the terms and provisions of this Agreement and the prospects for the franchised Business, using the services of legal counsel, accountants or other advisers of your own choosing. You have either consulted with these advisors or have deliberately declined to do so.

5. If required by applicable law, rule or regulation, you have received from us a copy of our franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen calendar days before the execution of this Agreement or at least fourteen calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

6. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) which has been relied on by you regarding your ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.

7. You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement (including, without limitation, the covenants not to compete and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us; (c) are fully required to protect our legitimate business interests; and, (d) do not confer benefits upon us that are disproportionate to your detriment.

8. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

34. SUBMISSION OF AGREEMENT

34.01. Submission of Agreement

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. The date that we execute this Agreement, referred to in this Agreement as the "Effective Date", will be considered the date of execution of this Agreement.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOUOTHER THAN THOSE SET FORTH IN OUR FRANCHISE DISCLOSURE DOCUMENT OR IN THIS AGREEMENT, AND THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU HAVE NOT RELIED AND ARE NOT RELYING ON THEM.

YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

[Signature Page to Follow]

Dated: _____

FRANCHISEE:

If a corporation or other entity:

_____

(Name of Corporation or Other Entity)

By:

_____

_____

Its

_____

_____

(Title)

_____

(Print Name)

If an individual:

_____

(Signature)

_____

(Print Name)

_____

(Signature)

_____

(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____

Its:

_____
(Title)

_____
(Print Name)

EXHIBIT A TO THE FRANCHISE AGREEMENT
FRANCHISE TERRITORY

The Territory defined in Section 3.01 of the Franchise Agreement shall consist of:

_____
_____
_____
_____

The GK Office Location defined in Section 3.01 shall be located at:

_____
_____

EXHIBIT B TO FRANCHISE AGREEMENT
PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of:

MARK	STATUS	REGISTRATION or APPLICATION NUMBER	REGISTRATION or APPLICATION DATE
GARAGE KINGS	Registered	5,866,398	9/24/2019
GARAGE KINGS	Registered	5,860,954	9/17/2019
GARAGE KINGS	Registered	5,866,400	9/24/2019
GARAGE KINGS	Registered	5,860,955	9/17/2019
GARAGE KINGS	Registered	6,054,281	5/12/2020
	Registered	5,860,956	9/17/2019
	Registered	5,866,401	9/24/2019
	Registered	5,866,402	9/24/2019
	Registered	5,866,403	9/24/2019

and such other and further Proprietary Marks (as defined in Section 1.01 of the Franchise Agreement) that we may from time-to-time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C TO FRANCHISE AGREEMENT
INITIAL FRANCHISE FEE

The Initial Franchise Fee as defined in Section 5.01 of the Franchise Agreement shall be: _____.

EXHIBIT D TO FRANCHISE AGREEMENT

GARAGE KINGS PRODUCT WARRANTY FORM

GARAGE KINGS INSTALLATION WARRANTY

Customer Name:_____
Address:_____
City:_____ State/Province:_____ Zip Code:_____
Primary Phone No:_____ Alternate Phone No:_____
Email: _____
Address:_____
System (check one): ☐ 100% Solids Epoxy ☐ Signature Flake Floor ☐ Marbled/Metallic

TERMS OF WARRANTY

_____("GK Franchisee") represents and warrants to the customer named above that its installation of the Garage Kings materials described above ("GK Product") are free from workmanship defects under normal use for the warranty period ("Warranty Period") set forth below (check applicable warranty period):

- ☐ 21 years - Signature Flake Floor; residential garage floor;
- ☐ 15 years - Residential marbled epoxy floor;
- ☐ 9 years - Residential solid floor;
- ☐ 9 years - Residential exterior flake floor; or
- ☐ 5 years - Commercial floor install.

This installation warranty covers all workmanship defects to the extent caused by to GK Franchisee's installation of the GK Product only. GK Franchisee will provide service of the GK Product free of charge; for the duration of the Warranty Period; after installation of the GK Product if a problem occurs due to a defect in GK Franchisee's workmanship. This warranty does not cover defects or damages attributable to: normal wear and tear; normal weathering or atmosphere conditions; improper repairs made or attempted by anyone other than GK Franchisee; faulty maintenance; misuse; abuse; neglect; extreme temperatures; staining or peeling caused by cracking of the substrate defective substrate; hydrostatic water problem; moisture vapor permeating the concrete slab; exposure to battery acid; brake fluid or other industrial fluid; accidents; fire; flood; earthquake; acts of God; vandalism; harmful fumes, vapors or chemical pollutants; mildew fungus; building settlement; the structural failure of roofs, walls, foundation or any part of the attached structure; or any other causes beyond GK Franchisee's control.

In the event of a workmanship defect; please contact GK Franchisee's office in writing to: _____ [GK Franchisee Email Address], with subject line "Warranty Claim". GK Franchisee may, at its request, require photographs, invoice copies or other information about the claimed workmanship defect. Customer must file a warranty claim within thirty (30) days of discovery of the claimed defect., reasonably describing the defect, Customer's failure to file the claim within the thirty (30) day period shall render this warranty null and void.

Customer shall provide GK Franchisee with free access to the installation location and shall allow GK Franchisee up to sixty (60) days to inspect and repair or replace the defective installation in the event a valid warranty claim is made under this warranty.

LIMITATIONS OF WARRANTY

THIS WARRANTY ONLY APPLIES TO THE INSTALLATION OF THE GK PRODUCT AT ITS ORIGINAL PLACE OF INSTALLATION. GK FRANCHISEE'S LIABILITY FOR ANY DEFECTIVE INSTALLATION IS LIMITED TO REPAIR OR REPLACEMENT OF SUCH INSTALLATION. GK FRANCHISEE DOES NOT WARRANT THAT THE COATING SYSTEM WILL CREATE A SLIP RESISTANT SURFACE. THE SURFACE MAY BECOME SLIPPERY UNDER CERTAIN CONDITIONS INCLUDING BUT NOT LIMITED TO EXPOSURE TO WET, OILY OR GREASY CONDITIONS. IN NO EVENT SHALL GK FRANCHISEE BE RESPONSIBLE FOR PERSONAL INJURY, OR DEATH OR DAMAGE TO PROPERTY. IT IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE FOR THEIR OWN SAFETY AND THE SAFETY OF THEIR GUESTS AND INVITEES. THIS LIMITED MATERIAL WARRANTY WILL ONLY BE EFFECTIVE UPON THE ACCEPTANCE OF THE INSTALLED COATING SYSTEM BY ALL PARTIES, AND AFTER ALL PAPERWORK AND PAYMENT REQUIREMENTS HAVE BEEN MET.

ANY WARRANTIES SHALL NOT EXTEND BEYOND THE APPLICABLE WARRANTY PERIOD SPECIFIED ABOVE. GK FRANCHISEE'S SOLE LIABILITY WITH RESPECT TO ANY DEFECT IS SET FORTH IN THIS WARRANTY AND ANY CLAIMS FOR INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSS OF USE, LOST PROFIT OR REVENUES OR DIMINUTION IN VALUE ARE EXCLUDED, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT 9INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. SOME JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, OR FOR THE EXCLUSION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEAKING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY SUGGESTIONS BY GK FRANCHISEE OR ITS REPRESENTATIVES REGARDING USE OR SUITABILITY OF THE GK PRODUCT SHALL NOT BE CONSTRUED AS AN EXPRESS WARRANTY UNLESS CONFIRMED TO BE SUCH IN WRITING BY AN OFFICER OF GK FRANCHISEE.

THIS LIMITED MATERIAL WARRANTY SUPERSEDES ANY AND ALL OTHER WARRANTIES OR REPRESENTATIONS WHETHER WRITTEN OR ORAL, MADE BETWEEN THE PARTIES HEREIN. THIS WARRANTY IS GRANTED TO THE CUSTOMER ONLY AND IS NOT TRANSFERABLE IN ANY MANNER WHATSOEVER,

EITHER DIRECTLY OR INDIRECTLY, TO ANY OTHER PARTY NOR TO A SUBSEQUENT PURCHASER OF THE PROPERTY.

CUSTOMER ACKNOWLEDGEMENT:

Received, Read, & Acknowledged by:_____ Date:_____
Customer

FRANCHISEE ACKNOWLEDGEMENT:

Received, Read, & Acknowledged, by:_____ Date:_____
Garage Kings Franchisee

EXHIBIT E TO FRANCHISE AGREEMENT
GARAGE KINGS FRANCHISEE INSTALLATION WARRANTY FORM

GARAGE KINGS WARRANTY PROGRAM

WWW.GARAGEKINGS.COM

302-330-2219

All details need to be filled out properly and submitted to Garage Kings Corporate by email to warranty@GarageKings.com. The client will receive an email confirmation when the warranty has been registered.

Please Print
Customer Name:_____
Address:_____
City:_____ State/Province:_____ Zip Code:_____
Phone 1:_____ Phone 2:_____
Email: Address:_____

System (circle): 100% Solids Epoxy Signature Flake Floor Marbled/Metallic

Project (circle): Garage Basement Steps Other Color/Flake Blend_____

Value of Project: $_____ Total Square Footage of project_____

Garage Kings Franchisee _____

Start Date of Project:_____(Month)/_____(Day)/_____(year)

Date of Project Completion: _____(Month)/ _____(Day)/_____(year)

GK USA FRANCHISE LLC (hereinafter referred to as “GK” or “Garage Kings”), represents and warrants that the materials authorized by GK for installation in the project described above (the “project”) are free of the defects listed in Section A below at the time of sale (the “limited material warranty” or “warranty”). Subject to the provisions herein, when installed by an authorized GK franchisee the warranty shall be effective for (select applicable warranty period):

- ☐ 21 years - Signature Flake Floor, residential garage floor;
- ☐ 15 years - Residential marbled epoxy floor;
- ☐ 9 years - Residential solid floor;
- ☐ 9 years - Residential exterior flake floor; or
- ☐ 5 years - Commercial floor install.

A. The materials for this project are warranted, at the time of sale, from delamination, peeling, cracking and/or blistering of the coating system installed on properly prepared substrates. GK’s liability for warranty claims is limited to the replacement of such quantity of materials installed by an authorized GK franchisee which does not reasonably perform as warranted within the warranty period and any replacement materials shall be warranted for the remainder of the original warranty only. This warranty is dependent on the following conditions:

1. This warranty does not apply to any damages to the coating system by physical abuse, failure of the structure or substrate, vandalism, modifications to the substrate when the coating is being applied, scratches, chips, mechanical impact damage, exposure to heat or flame, exposure to solvents and acids, windstorms, lightning, nails, screws, damage by persons, animals or vegetation, or any acts of God.

2. This warranty does not apply to damage due to improper care and maintenance, accident, alteration, misuse, abuse, neglect, unreasonable use, normal wear and tear, commercial use, gouging and other damage beyond the scope and protections of the coating system applied, including impact and abrasion other than that for which the coating system was designed.
3. This warranty does not apply to damage caused by a hydrostatic water problem, moisture vapor permeating the concrete slab, or exposure to either battery acid or brake fluid. This warranty does not cover changes or oxidation of the coating system as a result of normal weathering or atmosphere conditions.
4. This warranty does not apply to improperly mixed products or outdated materials.
5. This warranty does not apply to delamination caused by improper substrate condition, or an internal failure of the substrate.
6. This warranty shall not apply in the case of improper substrate construction, exposure of the products to solvents and/or higher concentrations of acids other than that moisture from within, under or adjacent to the concrete surface.
7. GK products must be applied by an authorized GK franchisee on a properly prepared surface in accordance with standard GK product specifications and application procedures. Proper concrete surface preparation is achieved by mechanical shot-blasting and/or grinding machines that remove all previous coatings, sealers, laitance, efflorescence, water repellents, curing compounds, oils, grease, fats, waxes, non-visible soluble salts and any other impediments to adhesion. The resulting receiving surface must have a profile of 20 to 80 grit (CSP 2-3 via shot-blasting), and not exceed 3 pounds of moisture vapor transmission (MVT) over 24 hours per 1,000 sq.ft. using a TRAMEX digital moisture reader.
8. This warranty does not extend to labor costs for inspection, testing or repair of the GK coating system or any other labor costs and GK shall only be responsible for the cost of such materials that are to be repaired or replaced at GK's discretion pursuant to this warranty.
9. GK will not be liable for consequential or incidental damages of any kind including, but not limited to, damages to the structure or its contents resulting from defects in a GK coating system. The obligation assumed under this warranty is expressly limited to providing such materials, as provided herein, required to repair any defects covered under this warranty agreement.
10. GK's responsibilities under this warranty shall cease if any alterations, additions or repairs are not made in accordance with specific written instructions from a GK Representative.
11. Notice of any claim under this warranty must be sent in writing by e-mail to WARRANTY@GARAGEKINGS.COM, with SUBJECT LINE "WARRANTY CLAIM". Failure to notify GK in writing as provided above of any such claimed defect within THIRTY (30) DAYS of discovery of the claimed defect shall render this warranty null and void.
12. Customer shall provide free access to the project to GK and shall allow GK up to SIXTY (60) DAYS to inspect and repair or replace the defective materials in the event of a valid warranty claim made under this warranty at GK's discretion. GK shall provide identical or similar replacement materials as is reasonably possible from GK's inventory for replacement, in GK's sole discretion. GK may, at its request, require photographs, invoice copies or other information about the claimed coating system failure. For clarity,

the option to repair or replace the defective materials is at GK's sole discretion and failure to provide such access to GK shall render this warranty null and void.

13. This warranty becomes effective only upon completion of the following: (a) payment in full to an authorized independent GK franchisee of all outstanding charges relating to this project; (b) this warranty form is filled out completely; (c) this warranty form is returned to GK with all required supporting materials and pictures by email to WARRANTY@GARAGEKINGS.COM with the SUBJECT LINE "WARRANTY REGISTRATION" within THIRTY (30) DAYS of the completed project; and (d) this warranty form is certified in writing by a GK franchisee.

LIMITATIONS

THIS WARRANTY ONLY APPLIES TO THE MATERIAL AT ITS ORIGINAL PLACE OF INSTALLATION AND GK'S LIABILITY FOR ANY DEFECTIVE MATERIALS AS PROVIDED HEREIN IS LIMITED TO REPAIR OR REPLACEMENT OF SUCH MATERIALS AT GK'S OPTION. THE WARRANTY WILL BE VOID IF THE MATERIALS ARE INSTALLED IN VIOLATION OF APPLICABLE LOCAL CODES OR ORDINANCES, OR IF INSTALLED IN A PARTICULAR SITUATION NOT INTENDED FOR PRODUCT USE.THIS WARRANTY DOES NOT APPLY TO SALT-WATER APPLICATIONS OR APPLICATIONS IN WHICH THE COATING SYSTEM IS EXPOSED TO CORROSIVE CHEMICALS. THE WARRANTY DOES NOT APPLY TO DECKS OR PRESSURE TREATED LUMBER OR BATHROOM SHOWERS OR TUBS. THE WARRANTY DOES NOT APPLY TO IMPROPER SUBSURFACE CONDITIONS SUCH AS ROTTEN WOOD, IMPROPER CONCRETE MIXES AND SIMILAR CONDITIONS WHICH WOULD CAUSE LACK OF ADHESION. GK DOES NOT WARRANT THAT THE COATING SYSTEM WILL CREATE A SLIP RESISTANT SURFACE. THE SURFACE MAY BECOME SLIPPERY UNDER CERTAIN CONDITIONS INCLUDING BUT NOT LIMITED TO EXPOSURE TO WET, OILY OR GREASY CONDITIONS. IN NO EVENT SHALL GK BE RESPONSIBLE FOR PERSONAL INJURY, OR DEATH OR DAMAGE TO PROPERTY. IT IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE FOR THEIR OWN SAFETY AND THE SAFETY OF THEIR GUESTS AND INVITEES. THIS LIMITED MATERIAL WARRANTY WILL ONLY BE EFFECTIVE UPON THE ACCEPTANCE OF THE INSTALLED COATING SYSTEM BY ALL PARTIES, AND **AFTER ALL PAPERWORK AND PAYMENT REQUIREMENTS** HAVE BEEN MET AS PROVIDED HEREIN.

NO ONE EXCEPT AN AUTHORIZED REPRESENTATIVE OF GK IS AUTHORIZED TO MAKE ANY OTHER WARRANTIES ON GK'S BEHALF. ANY IMPLIED WARRANTIES, INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL NOT EXTEND BEYOND THE APPLICABLE WARRANTY PERIOD SPECIFIED ABOVE. GARAGE KINGS' SOLE LIABILITY WITH RESPECT TO ANY DEFECT IS SET FORTH IN THIS WARRANTY AND ANY CLAIMS FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGE FROM WATER LEAKAGE) ARE EXCLUDED. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, OR FOR THE EXCLUSION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

This limited material warranty supersedes any and all other warranties or representations whether written or oral, made between the parties herein. This warranty is granted to the Customer only and is not transferable in any manner whatsoever, either directly or indirectly, to any other party nor to a subsequent purchaser of the property.

CUSTOMER ACKNOWLEDGEMENT:

Received, Read, & Acknowledged by:_____ Date:_____
Customer

FRANCHISEE ACKNOWLEDGEMENT:

Received, Read, & Acknowledged, by:_____ Date:_____
Garage Kings Franchisee

PROJECT TECHNICAL INFORMATION:

Customer Name:_____

Certified Franchisee Name:_____

ALL MATERIALS USED: (USE ADDITIONAL SHEET IF REQUIRED)

Product Name_____BATCH#:_____LOT#:_____
Product Name_____BATCH#:_____LOT#:_____
Product Name_____BATCH#:_____LOT#:_____
Product Name_____BATCH#:_____LOT#:_____
Product Name_____BATCH#:_____LOT#:_____

PROJECT DESCRIPTION:

PICTURES REQUIRED WITH SUBMISSION:

❑ Before pictures (minimum 3 pictures, entire floor, front lip, side walls, & damaged areas)
❑ Pictures right before primecoat (same pictures as above)
❑ Pictures when it is completed (as above)
❑ Customer received 1 pound of Flakes (if applicable)

Moisture Test Readings:
___/__

Dew Point: Slab Temp:_____˚ (F) (C) Air Temp:_____˚(F) (C)

Average Air Temperature During Application: _____˚ (F) (C)
Average Humidity During Application:_____%

Coated Area (sq. ft.): _____Verticals (sq. ft.): _____Cove (LF)_____

Steps:(Yes/No)_____

Equipment Used:_____ What grit & hardness were the diamonds_____

Certified Garage Kings Franchisee SIGNOFF:

I certify that the information provided in this warranty registration package is accurate and true. This project was completed under my direction according to Garage Kings product and process standards.

By:_____Date:_____
Name (print)

SIGNATURE_____

All details need to be filled out properly and submitted to Garage Kings Corporate by email to warranty@GarageKings.com. The client will receive an email confirmation when the warranty has been registered

EXHIBIT F TO FRANCHISE AGREEMENT

SAMPLE BY-LAW OF GK USA FRANCHISE LLC REGIONAL ADVERTISING COOPERATIVE

SAMPLE BY-LAWS OF GK USA FRANCHISE LLC REGIONAL ADVERTISING COOPERATIVE

1. PURPOSES

1.01 Purposes

The purposes of _____ (the "Corporation"), as set forth in its Certificate of Incorporation, are to provide for and establish cooperative marketing, promotion and advertising programs for the Garage Kings Businesses within the _____ Area of Dominant Influence (the "ADI"), as defined by The Arbitron Company; to serve as the official voice of the members; and, to pay the administrative expenses incidental thereto.

2. OFFICES

2.01 Registered Office

The Corporation shall establish and maintain a registered office and a registered agent in the State of _____, as required by law, and shall be qualified to conduct business in the State(s) of _____. The Corporation may also establish and maintain offices elsewhere in furtherance of its not-for-profit activities as the Board of Directors (the "Board") of the Corporation may deem appropriate.

3. SEAL

3.01 Seal

The seal of the Corporation shall be in such form as the Board of Directors shall prescribe.

4. MEMBERSHIP

4.01 Qualifications

The Corporation shall have one class of membership. Any Garage Kings franchisee who operates a Garage Kings Business located within the ADI under license granted by GK USA Franchise LLC (“Garage Kings Franchise”) for such purpose or representative of any company-owned Garage Kings Business shall be eligible for membership in the Corporation, providing that such license granted by is in good standing. "Good standing", for the purpose of the preceding sentence, shall mean that the license granted by Garage Kings Franchise to operate a Garage Kings Business in the ADI has not been terminated and has not expired.

4.02 Admission of Members

Any person, partnership, corporation or other entity eligible for membership shall become a member immediately upon his or its execution of a membership pledge agreement, the form and terms of which shall be established by the Board.

Each new member shall be bound by, observe, participate in and when applicable, contribute to all programs, campaigns, policies and determinations of the Corporation which, by virtue of prior corporate action, are in effect on the date of membership admission.

4.03 Voting Rights of Members

Each member in good standing shall be entitled to one vote for each Garage Kings Business operated by such member in the ADI under license from Garage Kings Franchise. Notwithstanding anything to the contrary set forth in these By-Laws, if a Garage Kings Business is operated by two or more co-venturers, such co-venturers collectively, and not individually, shall be entitled to exercise the voting rights which may arise by

virtue thereof; and, for the purpose of determining voting rights hereunder, no individual co-venturer shall be deemed to so operate any such business.

4.04 Transfer of Membership

Membership in the Corporation shall not be transferable or assignable.

4.05 Member's Sale of Unit

In the event that a member sells or otherwise transfers his or its Garage Kings Business and, by virtue thereof, no longer is eligible for membership in the Corporation, such member shall not be liable for any contributions which accrue during the balance of the Corporation's fiscal year from the date that such sale or transfer becomes effective. Upon the purchase of the Garage Kings Business, the purchaser shall immediately apply for membership in the Corporation and the purchaser's liability for all such contributions shall commence as of the date of purchase.

4.06 Other Associations

Nothing contained herein shall be construed as restricting any member from membership in any other association of Garage Kings licensees or franchisees.

4.07 Suspension; Expulsion

A member may be suspended for a period, or expelled, for cause, such as for a violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or assessments of the Corporation (as provided for in Section 12.01 of these By-Laws) or for conduct prejudicial to the best interests of the Corporation. Suspension or expulsion shall require the affirmative vote of two-thirds of the directors present and voting at a meeting of the Board. Except as set forth below, any suspension or expulsion of any member shall be referred by the Board to the membership for a vote on expulsion and any expulsion shall require the affirmative vote equal to or greater than 75% of the votes cast (in person or by proxy) at the membership meeting convened inter alia to consider such actions. No suspension shall be effective unless a statement of the charges shall have been mailed by registered mail to the member proposed to be suspended or expelled at his or her last known address at least fifteen days before the meeting of membership at which final action on the suspension or expulsion is to be taken. Such notice shall state the time and place where the meeting of the membership is to take place, and shall specify the grounds upon which such suspension or expulsion is sought. The member shall be given an opportunity at the meeting to present any information relevant to the question of suspension or expulsion. A member who is suspended or expelled shall have no recourse or claim against the Corporation or any director, officer, employee, agent or member of the Corporation by reason of such suspension or expulsion and shall remain liable for all contributions due and owing prior to the date on which the membership votes to suspend or expel the member. Notwithstanding anything to the contrary set forth above, if a member no longer has a license in good standing to operate a Garage Kings Business in the ADI (as defined by Section 4.01 of these By-Laws), expulsion of such member shall be automatic and shall not require a meeting or vote of the Board or of the membership.

4.08 Reinstatement

A. Any former member may, by written request delivered to and filed with the Secretary of the Corporation, make application to the Board of Directors for reinstatement as a member of the Corporation.

B. The Board of Directors, by a vote of two-thirds of the entire membership of the Board, may reinstate such former member to membership at any time upon such terms as the Board of Directors, in its discretion, deems appropriate, subject to the conditions precedent in sub-section C, below.

C. As conditions precedent to the restoration of membership: (i) the former member must be eligible for membership as provided in Section 4.03 of these By-Laws, and (ii) the Board of Directors may provide for the payment of contributions which accrued during the intervening period between resignation, suspension or expulsion and reinstatement.

5. MEETINGS OF MEMBERS

5.01 Place of Meeting

Meetings of the membership of the Corporation shall be held at such place(s) within the ADI as may be fixed by the Board as the place(s) of meeting for any quarterly, special, or annual meeting.

5.02 Quarterly Meetings

Meetings of the membership of the Corporation shall be held on the third Tuesday of each of the following months; September, December, March and June, at such times and places as shall be designated by the Board. If the scheduled date of any such meeting is a legal holiday, the meeting shall be held on the next succeeding business day not a legal holiday.

5.03 Annual Meeting

The annual meeting of the membership, for the election of directors and the transaction of any other business which may be lawfully brought before the meeting, shall be held at nine o'clock A.M. on the third Tuesday in September of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day not a legal holiday, unless the Board shall designate some other hour or date therefor. If for any reason such meeting is not held at the time fixed therefor, such election may be held at a subsequent meeting called for that purpose.

5.04 Special Meetings

Special meetings of the membership may be called by a majority of the Board of Directors or by written demand of not less than one-fourth of the membership of the Corporation entitled to vote at such meeting.

5.05 Notice of Meetings; Waiver of Notice

Written notice of each meeting of the membership of the Corporation shall be given to each member by the Secretary. Each notice of meeting shall be given, personally or by mail, not less than five nor more than thirty days before the meeting, and shall state the time and place of the meeting, and, unless it is the annual meeting or a quarterly meeting, shall state at whose direction the meeting is called and the purpose(s) for which it is called. If mailed, notice shall be considered given when mailed to a member at his or its last known address on the Corporation's records. Notice need not be given to any member who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him or it.

5.06 Organization

At every meeting of the membership, the Chairman of the Board, or in his absence a Vice President, or in the absence of the Chairman and all of the Vice Presidents, a chairman chosen by the members, shall act as chairman; and the Secretary, or in his absence, a person appointed by the chairman, shall act as secretary.

5.07 Quorum

The presence, in person or by written proxy, of members entitled to cast at least a majority of the votes which all members are entitled to cast shall constitute a quorum. A quorum once having been constituted for a meeting, whether monthly, annual, special, shall be deemed to continue until such meeting is adjourned. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting may adjourn the meeting until a quorum is present. At any adjourned meeting at which a quorum is present, any action may be taken which might have been taken at the meeting as originally called.

5.08 Voting

A. All matters voted upon by membership shall be decided by the vote of 75% of the votes cast by those members voting in person or by written proxy, except as otherwise provided by law, by the Certificate of Incorporation, or by these By-Laws. Any member may request that a roll call vote be taken with respect to the vote on any issue.

B. When electing directors, each member shall be entitled to cast the number of votes as shall equal the number of votes he or it is allocated under Section 5.03 of these By-Laws multiplied by the number of directors to be elected (for which such member's votes are eligible), and each member may cast all such votes for a single director or may distribute them among some or all of the number of directors to be elected, as said member sees fit.

C. The chairman at any meeting of the membership may, in his discretion, appoint one or more persons to act as inspectors or tellers, to receive, canvass and report the votes cast by the membership at such meeting provided, however, that no candidate for the office of director shall be appointed an inspector or teller at any meeting for the election of directors. The use of written ballots shall not be required for valid action to be taken at any meeting of the members.

D. At any meeting of the members (except those held pursuant to Section 5.05 of these By-Laws), any member may vote by written proxy. All proxies must be submitted to the Secretary of the Corporation, or, in his absence, any person appointed to act as secretary, at or before the meeting for which said proxies are given.

5.09 Participation in Meetings

One or more members may participate in a meeting of the membership by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. The membership may designate one member to act as Sergeant of Arms at any meeting of members, and the individual so designated shall have the right to expel disorderly members and refuse admittance to non-members.

5.10 Action by Members Without Formal Meeting

Any action required to be taken at a meeting of the members of the Corporation (except for the election of Directors), or any other action which may or might be taken at a meeting of members, may be taken without a meeting if a written consent setting forth, with specificity, the action to be taken is signed by members who, in the aggregate, possess 75% percent of total membership votes, as calculated in Section 5.08 above.

5.11 Discussion by Members

At any meeting, no member shall speak longer than five minutes at any one time, except with the approval of a majority vote of the members present.

5.12 Order of Garage Kings Business

The order of business at meetings of members shall be as follows:

1. Attendance Record.
2. Proof of Notice of Meeting or Waiver of Notice.
3. Reading of Minutes of Preceding Meeting.
4. Report of Board.
5. Election of Board (where appropriate).
6. Old Garage Kings Business.
7. New Garage Kings Business.
8. Adjournment.

6. BOARD OF DIRECTORS

6.01 General Powers

The property and affairs of the Corporation shall be managed by the Board of Directors subject, however, to the understanding that all major issues, questions and policy determinations shall, if feasible or appropriate, first be submitted to and voted upon by members at any quarterly, annual, or special meeting. The powers of the Board shall include, but shall not be limited to:

(a) appointment of subordinate officers and employees of the Corporation;

(b) development, with the assistance of such committees as the Board shall deem advisable, of policies and programs designed to promote the purposes for which the Corporation was formed;

(c) establishment and preparation of budgets, including an annual budget, to be proposed to and voted upon by the membership to effectuate those programs, activities and functions of the Corporation;

(d) expenditure of up to Ten Thousand Dollars ($10,000.00), without membership approval, where action to the advantage of the Corporation must be undertaken expeditiously and, in the given circumstances, time is of the essence and procuring membership approval is not feasible; and,

(e) establishment of the Corporation's office and preparation of its administrative budget.

6.02 Number, Qualification, Election and Term of Directors

The Board shall consist of nine directors, each of whom shall be at least 21 years old. Each such director shall himself be a member, and shall be elected by members. At the initial election of directors, the term of three directors shall be for one year; the term of three directors shall be for two years; and the term of three directors shall be for three years. At each succeeding annual election, the members shall elect one director to succeed to the offices of each director whose term has expired. Subsequent to the initial terms of directors provided for herein, directors shall hold office for a term of three years and until the election of their respective successors.

6.03 Quorum and Manner of Acting

A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting. A quorum once having been constituted for a meeting shall be deemed to continue until such meeting is adjourned. Action by the Board shall be authorized by the affirmative vote of at least two-thirds of the directors present entitled to vote, even if such vote constitutes less than a majority of the votes which all directors would be entitled to cast. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is present.

6.04 Place of Meetings

Meetings of the Board shall be held within the ADI.

6.05 Annual and Quarterly Meetings

Annual meetings of the Board shall be held either: (a) without notice immediately after the annual meeting of the membership, and at the same place, or (b) as soon as practicable after the annual meeting of the membership, on notice as provided above in Section 6.07 of these By-Laws. Quarterly meetings of the Board shall be held without formal notice immediately after the quarterly meeting of members, and at the same place, or at such times and places as the Board determines by prior written notice. If the day fixed for a regular meeting is a legal holiday, the meeting shall be held on the next succeeding business day not a legal holiday.

6.06 Special Meetings

Special meetings of the Board may be called by the Chairman of the Board or by any two (2) of the directors. Only business related to the purposes set forth in the notice of the meeting may be transacted at such a special meeting.

6.07 Notice of Meetings; Waiver of Notice

Notice of the time and place of each special meeting of the Board, and of each annual or quarterly meeting not held immediately after the respective meetings of the membership and at the same place, shall be given to each director at least 10 days before the meeting or, with regard to special meetings only, by delivering or telephoning or telegraphing notice to him at least two (2) hours before the meeting. Notice need not be given to any director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him.

6.08 Action Without a Meeting.

Unless specifically prohibited by statute, the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a

written consent to such action is signed by all members of the Board. Such written consent or consents shall be filed with the minutes or proceedings of the Board or committee.

6.09 Telephone Meeting.

Any or all of the Directors may participate in a meeting of the Board by means of a telephone conference or any other means of communication by which all persons participating in the meeting are able to hear and speak with each other.

6.10 Resignation and Removal of Directors

Any director may resign at any time. Any or all of the directors may be removed at any time by a vote of two-thirds of all of the members of that director's geographic region; provided, however, in the event that the membership of a director has been terminated, has expired or does not otherwise subsist, such director shall, for all purposes be deemed removed from the Board effective simultaneously with the effective date of expulsion or suspension of such director's membership.

6.11 Vacancies

Any vacancy in the Board, including one created by an increase in the number of directors, may be filled for the unexpired term by a majority vote of the members present and voting at a meeting of members.

6.12 Annual Report of Directors

The Board of Directors shall present at each annual meeting of members its report, which shall set forth the statements and shall be verified or certified in the manner prescribed by Delaware law. Such report shall be filed with the records of the corporation and either a copy or an abstract of such annual report shall be distributed available for distribution at each annual meeting of members.

7. COMMITTEES

7.01 Committees

The Board, by resolution adopted by a majority of the entire Board, may designate such committees composed of directors, members who are not directors, or a combination of both, to serve at the Board's pleasure, with such powers and duties and for such purposes as the Board determines.

8. OFFICERS

8.01 Number

The officers of the Corporation shall be the President, one or more Vice Presidents, a Secretary, and a Treasurer. Not more than one (1) office may be held by the same person or entity. A director may serve as an officer of the Corporation.

8.02 Appointment; Term of Office

The officers of the Corporation shall be appointed annually by the Board and shall hold office for one (1) year and until the next annual meeting of the membership and the appointment and qualification of his or her successor. Immediately after election of the Board, the directors shall appoint a Chairman of the Board, who shall thereafter by appointed by the Board to serve as President of the Corporation throughout his or her term. Immediately thereafter all other officers shall also be appointed by the Board of Directors.

8.03 Resignation and Removal of Officers

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any officer appointed by the Board may be removed either with or without cause by a vote of two-thirds of the members of the Board present and voting at any meeting of the Board.

8.04 Vacancies

A vacancy in any office may be filled for the unexpired term in the manner prescribed in these By-Laws for appointment to that office.

8.05 The President

The president, who shall be a director, shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the membership. Subject to the control of the Board, he shall have general supervision over the business of the Corporation and shall have such other powers and duties as presidents of corporations usually have or as the Board assigns to him.

8.06 Vice President

Each Vice President shall have such powers and duties as the Board or the President assigns to him.

8.07 The Treasurer

The Treasurer shall be the chief financial officer of the Corporation and shall be in charge of the Corporation's books and accounts. Subject to the control of the Board, he shall have such other powers and duties as the Board or the President assigns to him or her.

8.08 The Secretary

The Secretary shall be the secretary of, and keep the minutes of, all meetings of the Board and of the members; shall be responsible for giving notice of all meetings of the membership and of the Board; and, shall keep the Corporation's seal and, when authorized by the Board, shall apply it to any instrument requiring it. Subject to the control of the Board, he or she shall have such other powers and duties as the Board or the President assigns to him or her. The Board may, in its discretion, appoint an Assistant Secretary who shall possess and discharge such powers and duties as the Board may prescribe. In the absence of the Secretary from any meeting, the minutes shall be kept by the person appointed for that purpose by the chairman of the Board.

9. CORPORATE FUNDS

9.01 General Use of Funds

Funds in any Regional Advertising cooperative shall be expended for any and all or a combination of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements (including writing, filming, editing, etc.); (vii) planning, negotiation, contracting and trafficking all media programs; (viii) technical and professional advice in connection with the above; (ix) other public relations; and, (x) administration of the Cooperative, including legal and accounting services.

It shall be required that all, or as great a percentage as practicable, of the funds received in any given fiscal year by the Corporation from its members be expended for the above purposes during that fiscal year.

9.02 Contracts

The Board of Directors, after having first secured the approval of the membership (when feasible and appropriate) may, from time to time, authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, and singly or jointly or in any other manner, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

9.03 Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

9.04 Deposits

All funds of the Corporation shall be promptly deposited, from time to time, to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

9.05 Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

10. MEMBERSHIP CERTIFICATES

10.01 Membership Certificates

The Board may provide for the issuance of membership certificates evidencing status as a member in the Corporation, which certificates shall be in such form as determined by the Board; shall be non-transferable; and, shall bear on the face thereof, a conspicuous notation that the Corporation is a not-for-profit corporation and that the membership certificate is non-transferable. Such certificates shall be signed by the President or a Vice-President and by the Secretary or any Assistant Secretary and shall be sealed with the seal of the Corporation. The name, address and location of the Garage Kings Business of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor, upon such terms and conditions as the Board may determine.

11. BOOKS AND RECORDS

11.01 Books and Records

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its membership, its Board of Directors and any committees having any of the authority of the board, and shall also keep a record bearing the names and addresses of Corporation members. All books and records of the Corporation shall be kept at the registered office or principal office of the Corporation and shall not be removed from such place except as necessary for purposes of auditing such books and records. All books and records of the Corporation may be inspected by any member or anyone authorized by law or contract for any proper purpose at any reasonable time, upon the giving of prior written notice to the President, Treasurer or Secretary or such other officer or person as the Board may determine.

11.02 Audits

Immediately following the close of each fiscal year, the Corporation shall authorize an audit of its books and records to be made either by an Audit Committee or by an outside auditor chosen by the Board; provided, however, that no officer or director of the Corporation, acting as such during the audited period, shall be chosen as a member of the Audit Committee. Such reports of audits shall be presented to the Board as soon as practicable, which will, in turn, present such reports to the members of the Corporation at the next regular meeting, or at a special meeting if deemed necessary by the Board.

12. PAYMENTS BY MEMBERS

12.01 Amount and Payment of Dues and Assessments

Each member shall pay to the Corporation annual dues of One Hundred ($100) Dollars per [franchise] Business operated by such member, payable simultaneously with delivery of such member's membership pledge agreement; provided, however, the amount of the annual dues shall be subject to modification by the Board from time-to-time as the Board, in its sole discretion, deems appropriate. In addition, each member shall be required to pay a monthly assessment which shall be computed based on a percentage of the prior month's "Gross Revenues", as such term is defined in the Franchise Agreement. Such percentage shall be not less than one (1%) percent and shall not exceed two (2%) percent unless authorized by a vote of at least seventy-five (75%) percent of the members. Unless otherwise prescribed by the Board, all monthly assessments shall be due and payable the fifteenth (15th) day of each month for the preceding month.

12.02 Fines and Penalties

The Board shall have the power to impose such fines and/or penalties upon any member, as the Board, in its sole discretion, deems appropriate as a result of a member's violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or special assessments of the Corporation, or for conduct prejudicial to the Corporation. Any such fines and/or penalties shall be due and payable on such terms as are fixed by the Board.

12.03 Default and Termination of Membership

When any member shall be in default in the payment of any fees, dues, assessments, fines or penalties for a period of sixty (60) days from the beginning of the period for which such amounts become payable, his or its membership may thereupon be terminated in the manner provided in Section 4.07 of these By-Laws. In addition, such default may result in termination of the member's rights under his/its Franchise Agreement.

12.04 Payments Non-Refundable

Except upon the affirmative vote of seventy-five (75%) percent of the members present and voting (in person or by proxy) at any meeting of members, no member shall be entitled to a refund of any part of the dues, assessments, fines and/or penalties paid by such member to the Corporation.

13. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND COMMITTEE MEMBERS

13.01 Right to Indemnification

The Corporation shall indemnify any person who is or was a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, or member of a committee of the Corporation as follows:

A. If the action, suit or proceeding is not by or in the right of the Corporation:

(1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, or of any claim, issue or matter therein, and

(2) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. If the action, suit or proceeding is by or in the right of the Corporation:

(1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, of any claim, issue or matter therein, and

(2) against expenses (including attorneys' fees), judgments and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement thereof if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable to the Corporation for negligence or misconduct in the

performance of his duty to the Corporation unless and only to the extent that a court of record of the county in which the registered office of the Corporation is located or the court in which such action, suit, or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity.

13.02 Procedure to be Followed

Any indemnification under paragraph (a)(2) or (b)(2) of Section 13.01 above (unless ordered by a court or made pursuant to a determination by a court as hereinafter provided) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, committee member or any other person who qualifies for indemnification under this Article 13 is proper under the circumstances because he has satisfied the requirements for indemnification as set forth in paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be. This determination shall be made (a) by independent legal counsel not in the employ of the Corporation in a written opinion, or (b) by the membership. In the absence of a determination that indemnification is proper as aforesaid, the director, officer, committee member, or other qualifying person may make application to a court of the county in which the registered office of the Corporation is located or the court in which the action, suit or proceeding was brought, which shall determine whether the trustee, officer, committee member or other qualifying person has met the applicable requirements for indemnification. If the court shall determine that indemnification is proper, indemnification shall be made under such paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be.

13.03 Payment of Expenses in Advance

Expenses incurred in defending an action, suit or proceeding referred to in Section 13.01 of these By-Laws may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the membership or by a court, in the manner provided in Section 13.02 of these By-Laws, upon receipt of an undertaking by or on behalf of the director, officer, committee member or other qualifying person (regardless of his financial responsibility) to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article 13.

13.04 Other Rights

The indemnification provided by these By-Laws shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement, vote of members, or otherwise both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or committee member and shall inure to the benefit of the heirs, executors and administrators of such a person.

13.05 Insurance

The Corporation shall have the power to purchase and maintain on behalf of any person who is or was a director, officer, committee member, employee or agent of the Corporation insurance against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By-Laws.

14. NOTICE

14.01 Notice

Any notice required to be given to any member, director, or officer under the provisions of these By-Laws, or otherwise, shall be in writing and shall (subject to the provisions of law, these By-Laws, and the Certificate of Incorporation of the Corporation) be deemed to be sufficiently given if such notice is delivered to such member, director or officer in person (and receipted on a copy of such notice) or mailed, faxed or telegraphed to such member, director or officer at his or its address, as the same appears on the books of the Corporation.

14.02 Waiver of Notice

Any notice required to be given under the provisions of these By-Laws, or otherwise, may (subject to the provisions of law and the Certificate of Incorporation of this Corporation), be waived by the member, director, or officer to whom such notice is required to be given.

15. AMENDMENT OF BY-LAWS

15.01 Amendment

Any or all of the provisions of these By-Laws, whether contractual in nature or merely regulatory of the internal affairs of the Corporation, may be amended or repealed by vote of the members entitled to cast at least seventy-five (75%) percent of the votes which all members are entitled to cast thereon, at any regular or special meeting duly convened after notice of such purpose to the members.

EXHIBIT G TO FRANCHISE AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____
FRANCHISEE: _____
HOME ADDRESS: _____
_____
HOME TELEPHONE: _____
CLASSIFICATION: _____
(Owner, Shareholder, Officer, Director, Attorney, Employee, Etc.)

_____ ("Franchisee") is a franchisee of GK USA Franchise LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement") regarding the establishment of a franchised Garage Kings business. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the Garage Kings System (the "System") and/or imparted to the Franchisee by the Franchisor or any of the Franchisor's affiliates which concerns the Franchisee's or the Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases, or access codes, software or underlying code; all products, services, equipment, technologies and procedures relating thereto; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; Franchisor's Confidential Operating Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

Further, during the term of my employment/service/association/ownership participation, and for two years thereafter, I agree not to: (i) solicit for employment or hire the Franchisor's or the Franchisee's personnel, the personnel of any of the Franchisor's affiliates or the personnel of any other franchised Garage Kings Business without first obtaining written permission from the Franchisor and the employer(s) of the personnel in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Wilmington, Delaware. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Wilmington, Delaware.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

_____

Witness/Date

_____

(Print Name)

_____

(Signature)

_____

(Date)

EXHIBIT H TO FRANCHISE AGREEMENT

GUARANTEE

GUARANTEE OF
GK USA FRANCHISE LLC FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated the _____ day of _____, _____, between GK USA Franchise LLC ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor’s costs of collection hereunder, including all court costs and expenses, attorneys’ fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles.

If, however, any provision of this Guarantee would not be enforceable under the laws of Delaware, and if the business franchised under the Franchise Agreement is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction in Wilmington, Delaware. The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Wilmington, Delaware. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

Attest:

By:_____ _____
Signature

_____
Printed Name

_____

_____
Address

EXHIBIT I TO FRANCHISE AGREEMENT

GENERAL RELEASE

SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE UPON TRANSFER TO AN AUTHORIZED FRANCHISEE

This Termination of Franchise Agreement and Release (the "Agreement") is made this _____day of _____, 20__, by and between GK USA Franchise LLC, a Delaware limited liability company with its principal office located at 1831 Delaware Avenue, Wilmington, Delaware 19806 ("Franchisor"), and _____, a _____ with an address at _____("Transferor").

BACKGROUND

A. On _____, Transferor entered into a franchise agreement (the "Franchise Agreement") with Franchisor for the right to operate a Franchised Business at _____.

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the business to _____, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor's sale of the business, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor will remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to Confidential Information and Non-competition.

3. Transferor represents and warrants that all of Transferor's monetary obligations to Franchisor and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Transferor, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

5. Excluding the indemnification obligations set forth in the Franchise Agreement, and Transferor's obligations as set forth in paragraph 2 of this Agreement, Franchisor, for itself and all

persons and entities claiming by, through or under it, releases, acquits and forever discharges Transferor and Transferor's employees, agents, servants, representatives, affiliates, successors and assigns (the "Transferor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Transferor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

7. This Agreement will be construed under the laws of the State of Delaware, which laws will control in the event of any conflict of law.

8. This Agreement will be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

9. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

10. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it will be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

11. Transferor agrees that Transferor has and had a relationship with Franchisor at its offices in the State of Delaware and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement will be commenced and concluded in the State of Delaware pursuant to the mediation, venue, and jurisdiction provisions of the Franchise Agreement.

12. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement will not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement will be deemed to be effective as original signatures.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

GK USA FRANCHISE LLC

By: _____

FRANCHISEE

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____, personally came _____, to me known, who, by me duly sworn, did depose and say that deponent resides at _____, that deponent is the _____ of _____, the corporation described in the foregoing RELEASE, and which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____

ss.:

COUNTY OF _____

On _____, _____ before me _____, the
(Name of Notary)
undersigned officer, personally appeared _____, to me personally known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

_____

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT C

Intentionally Omitted.

EXHIBIT D
LIST OF FRANCHISEES AND LICENSEES

LIST OF FRANCHISEES

Below is a list of our franchisees, together with a list of the licensees of Franchisor's Parent, who operate a concrete floor coating business under the Garage Kings name.

FRANCHISEES:

CALIFORNIA	
Mike Pacini 6065 Loma Prieta Drive San Jose, CA 95123 (408) 234-6873	Raymond Bouldin/Anthony Munoz 12405 Los Nietos Rd, #101 Santa Fe Springs, CA 90670 (626) 533-3585

COLORADO	
Tony Joiner 18199 Telford Ave. Parker, CO 80134 (720) 252-0370	Jeff Bailey 1850 Enterprise Ct. Rifle, CO 81650 (970) 355-5082

MICHIGAN	
Russ Hoekstra Cube Smart 2940 44th St. SW Grandville, MI 49418 (616) 481-1673	

NEW JERSEY	
Kyle James and Katherine James 766 Carolier Lane North Brunswick, NJ 08902 (732) 447-5928	

OKLAHOMA	
David Bridges 21904 W 12th Street Sand Springs, OK 74063 (918) 845-4266	

PENNSYLVANIA	
Matt Frame 1170 Ridge Road Pottstown, PA 19465	

SOUTH CAROLINA	
Eric Jenkins 105 Lichen Ct. Unit 2 Myrtle Beach, SC 29588 (843) 855-4108	

UTAH	
Tammie Ames 811 W 3925 N Ogden, Utah 84414 (801) 644-3505	

LICENSEES:

MICHIGAN	
Justin Green 24244 Woodland Drive Brownstown Township, MI 48134 (313) 808-2453	

NEW YORK	
Ty Rainsberg 5 Preston Court Clifton Park, NY 12065 (518) 545-0169	

NORTH CAROLINA	
Logan Watts & Nelson Hulbert 1600 Olive Chapel Rd, Suite 604 Apex, NC 27502 (919)793-5845	

OHIO	
Jed Bettelon 294 Brubaker Drive New Carlisle, OH 45344 (937) 679-5197	Mark Foster 52795 State Route 113 Wakeman, Oh 44889 (440) 665-1017

SOUTH CAROLINA	
Chris Brown 109 Childers Circle Piedmont, SC, 29673 (864) 419-3232	

TENNESSEE	
David Abbott & Christian Stokes 1945 Stoney Meadow Drive Murfreesboro, TN 37128 (615) 579-6313	

UTAH	
Drake Myers 3674 W Azara Lane South Jordan, UT 84095 (317) 435-6317	

EXHIBIT E
FRANCHISEES AND LICENSEES WHO HAVE LEFT THE SYSTEM

Below is a list of the franchisees and Parent Licensees who ceased operations of their Garage Kings business as of December 31, 2020.

Sanford D. Blondell
31434 Wyle Ranch Rd
North Fork, CA 93643
(970) 985-8528

Chris Wilfong/Randy Kunkleman
1525 E Noble Ave #383
Visalia, CA 93292
(559) 936-7650

Jason Sator
15967 Butterwort Circle
Parker, CO 80134
(970) 580-0642

Hunter Williams
705 Parkview Lane
Naples, FL 34103
(239) 249-9654

Seth Schaeffer
5437 Hawthorn Glen
Charlestown, IN 47111
(502) 299-9236

Glenn Taylor
7940 West Grand Parkway South
Richmond, TX 77406
(832) 545-1591

Brian Eldridge
14054 Van Cott Peak Circle
Riverton, UT 84096
(801) 834-2802

EXHIBIT F
TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

GARAGE KINGS OPERATIONS MANUAL

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EXHIBIT G
STATE ADDENDA

Reserved.

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

1. The following language is added to the Risk Factors on the State Cover Page:

FRANCHISEE MUST SECURE A SITE IN AN AUTHORIZED LOCATION WITHIN 6 MONTHS OF EXECUTING THE FRANCHISE AGREEMENT, OR FRANCHISOR MAY TERMINATE THE FRANCHISE AGREEMENT.

FRANCHISOR HAS THE OPTION TO TERMINATE THE FRANCHISE AGREEMENT IF FRANCHISEE FAILS TO OPEN THE BUSINESS WITHIN THE TIME SET FORTH IN THE FRANCHISE AGREEMENT.

FRANCHISEES MUST SIGN A PERSONAL GUARANTY, MAKING YOU AND YOUR SPOUSEINDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT IF YOU ARE MARRIED. THE GUARANTY WILL PLACE YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

FRANCHISOR IS UNDERCAPITALIZED AND MAY NOT BE ABLE TO MEET PREOPENING OBLIGATIONS TO ALL FRANCHISEES.

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

Neither GK USA FRANCHISE LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

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

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

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

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

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

The Franchise Agreement requires application of the laws of the state of Delaware. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

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

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

1. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

HAWAII ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

THESE FRANCHISES 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 THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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.

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF HAWAII ARE HEREBY AMENDED AS FOLLOWS:

No release language set forth in the Franchise Agreement shall relieve GK USA FRANCHISEE LLC or any other party, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

Article 17 of the Franchise Agreement is hereby supplemented with the following provision:

> Hawaii Law. Pursuant to Section 482E-6(3) of the Hawaii Revised Statutes, for so long as such statute remains in effect and so provides, upon termination or refusal to renew the franchise, Franchisee shall be compensated for the fair market value, at the time of termination or expiration of the franchise, of Franchisee's inventory, supplies, materials and furnishings purchased from the Franchisor or a supplier designated by the Franchisor, exclusive of personalized materials which have no value to the Franchisor. If the Franchisor refuses to renew a franchise for the purpose of converting the franchised business to one owned by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, materials and furnishings pursuant to this paragraph, and may offset from such compensation any moneys due to the Franchisor.

GK USA FRANCHISE LLC	**FRANCHISEE**
By:	By:
Name:	Name:
Title:	Title:
Date Signed:	Date Signed:

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

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 upon Franchisee by the Illinois Franchise Disclosure Act. The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees. Consequently, Sections 29.03 ("Governing Law") and 29.04 ("Venue") of the Franchise Agreement will be deleted for all Illinois franchisees.

2. 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 is void."

3. The first paragraph of Section 5.01 of the Franchise Agreement is deleted in its entirety and replaced as follows: "You agree to pay us an Initial Franchise Fee in the amount set forth on Exhibit C. The Initial Franchise Fee is payable in full on the date that your Business commences operations; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance. For the avoidance of doubt, the Initial Franchise Fee is payable on the day immediately following the date on which the On-the-Job Training portion of our Initial Training Program concludes. For example, if the On-the-Job Training concludes on May 1st, the Initial Franchise Fee must be paid on May 2nd."

4. Section 33.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or Delaware law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than Delaware law, as stated in Section 29.03 of the Franchise Agreement.

2. Venue for litigation will not be limited to Delaware, as specified in Section 29.04 of the Franchise Agreement.

3. 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 Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

4. 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 Indiana.

5. Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.

6. Article 20.03 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") will not apply to franchises offered and sold in the State of Indiana.

7. Section 12.02 of the Franchise Agreement is revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.

8. Section 22.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.

9. Notwithstanding the terms of Section 8.10 of the Franchise Agreement (“Indemnification”), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor’s negligence.

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(c) entitled **Requirements for franchise to renew or extend**, and the "**Summary**" section of Item 17(m) entitled **Conditions for franchisor approval of transfer**, are amended by adding the following:

Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The "**Summary**" section of Item 17(h) entitled **"Cause" defined – non-curable defaults**, is amended by adding the following:

The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of the chart in Item 17:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

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

MARYLAND ADDENDUM 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. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and renewal of the Franchise.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

3. Section 29.03 of the Franchise Agreement requires venue to be limited to Delaware. This provision is deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.

4. Section 33.02 ("Your Acknowledgments") and the third paragraph of Section 34.01 ("Submission of Agreement") are deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.

5. The following sentences are added at the end of the last paragraph of Section 3.04 of the Franchise Agreement (“Rights We Reserve”):

6. "The waivers and releases in this paragraph are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The waivers and releases in this paragraph will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.”

7. The following sentence is added at the end of Section 13.04 of the Franchise Agreement (“Transfer by You – Sale To ThirdParty”):

   “The release of claims required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

8. The following language is added to the last sentence of Section 23.01 of the Franchise Agreement (“Integration of Agreement”): “provided, however, that the previous language is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

9. The following sentence is added at the end of Section 24.01 of the Franchise Agreement (“No Oral Modification”): “This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

10. Sections 4.03(I), 6.04(B), 7.02 and 13.04(11) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release :

11. "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."

12. Sections 33 and 34 of the Franchise Agreement are amended to add the following language:

    "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title:_____

MICHIGAN ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchises 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 competitor of the franchisor or subranchisor

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and

able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (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 franchise unless provision has been made for providing the required contractual services.

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

Any questions regarding the notice should be directed to the Michigan Department of Attorney General, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, MI 48933, (517) 373-7117.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

   As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

   A. **Renewal and Termination**
   With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

   B. **Choice of Forum**
   Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

   C. **Releases**
   A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 29.04 of the Franchise Agreement ("Venue"): "Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. 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.

3. 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.

4. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. The second sentence of Section 12.04 of the Franchise Agreement ("Enforcement of Covenants Not To Compete") is amended to read as follows:

   "Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 22.01 of the Franchise Agreement ("Injunction") is amended to read as follows:

   "You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By:_____
Name:_____
Title:_____

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

> **THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

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

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

3. The following is added to the end of the "Summary" 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.

NEW YORK ADDENDUM 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. The last sentence of the third paragraph of Section 7.01 of the Franchise Agreement ("Confidential Operating Manual; Policy Statements") is amended to read as follows:

   "The Manual and any additions, deletions, revisions or Supplements to the Manual are material in that they will affect the operation of the franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations."

2. Sections 4.03(I), 6.04(B), 7.02 and 13.04(11) 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."

3. The second sentence of Section 12.04 of the Franchise Agreement is amended to read as follows: "Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

4. The third and fourth sentences of Section 22.01 of the Franchise Agreement ("Injunction") is amended to read as follows:

   "You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Summary" section of Item 17(c) entitled **Requirements for renewal or extension** and Item 17(m) entitled **Conditions for franchisor approval of a transfer**:

> The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The applicable portion of the "Summary" section of Item 17(i) entitled **Franchisee's obligations on termination/non-renewal** is amended to read as follows:

> If we prevail in any enforcement action you will pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement

3. The following is added to the "Summary" section of Item 17(u) entitled **Dispute resolution by arbitration or mediation**:

> To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

4. The following is added to the "Summary" section of Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**:

> Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

5. The following is added to the "Summary" section of Item 17(v) entitled **Choice of forum**:

> However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

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

> North Dakota law applies.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Delaware law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Delaware law, as stated in Section 29.03 of the Franchise Agreement ("Governing Law").

2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.

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 North Dakota.

4. Section 4.03 of the Franchise Agreement ("Conditions to Renewal") requires the execution of a general release upon renewal. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

5. The first paragraph of Section 5.01 of the Franchise Agreement is deleted in its entirety and replaced as follows: "You agree to pay us an Initial Franchise Fee in the amount set forth on Exhibit C. The Initial Franchise Fee is payable in full on the date that we complete our pre-opening obligations hereunder and you have commenced operations; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance. For the avoidance of doubt, the Initial Franchise Fee is payable on the day immediately following the date on which the On-the-Job Training portion of our Initial Training Program concludes. For example, if the On-the-Job Training concludes on May 1st, the Initial Franchise Fee must be paid on May 2nd

6. Section 17.01 of the Franchise Agreement ("Further Obligations and Rights Following the Termination or Expiration of this Agreement") may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

7. Covenants restricting competition in the State of North Dakota, such as those found in Section 12.02 of the Franchise Agreement ("Covenant Not to Compete"), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

8. Section 29.04 of the Franchise Agreement ("Venue") requires that the franchisee consent to the jurisdiction of courts in Delaware. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

9. Section 29.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

10. Section 29.05 of the Franchise Agreement ("Waiver of Jury Trial and Punitive Damages") requires the franchisee to consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

Dated: _____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By: _____

Its _____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the GK USA FRANCHISE LLC Franchise Disclosure Document.

1. The following language is added to Item 17(v) entitled **Choice of forum**:

   , except as otherwise required by the Rhode Island Franchise Investment Act

2. The Rhode Island Franchise Investment Act requires a franchisor to deliver a copy of a disclosure document reflecting all material changes together with a copy of all proposed agreements relating to the sale of the franchise at the earlier of: (i) the prospective franchisee's first personal business meeting with the franchisor which is held for the purpose of discussing the sale or possible sale of the franchise, or (ii) ten business days prior to the execution of an agreement or payment of any consideration relating to the franchise relationship.

RHODE ISLAND ADDENDUM 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 Franchise Agreements 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."

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply:

1. The South Dakota Department of Labor and Regulation requires us, pursuant to SDCL 37-5B-5 to defer collecting the initial franchise fee owed by franchisees to franchisor until such time as the franchise is operational.

2. The first paragraph of Section 5.01 of the Franchise Agreement is deleted in its entirety and replaced as follows: "You agree to pay us an Initial Franchise Fee in the amount set forth on Exhibit C. The Initial Franchise Fee is payable in full on the date that your Business commences operations; is not refundable except as specifically provided in this Agreement; and, will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance. For the avoidance of doubt, the Initial Franchise Fee is payable on the day immediately following the date on which the On-the-Job Training portion of our Initial Training Program concludes. For example, if the On-the-Job Training concludes on May 1st, the Initial Franchise Fee must be paid on May 2nd."

Dated:_____

FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

GK USA FRANCHISE LLC

By:_____
Name: _____
Title: _____

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for GK USA FRANCHISE LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h:

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Washington Franchise Investment Protection Act (RCW 19.100.180), the Franchise Disclosure Document is revised as follows:

The following paragraphs are added at the end of Item 17:

> The state of Washington has a statute, RCW 19.100.180, which 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 mediation, arbitration, or litigation involving a franchise purchased in Washington, the site thereof shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the mediator, arbitrator, or judge, as applicable.
>
> In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
>
> A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
>
> Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The following sentence is added to the "Remarks" column of the Item 6 chart for the fee titled "Indemnification of Us":

> All indemnification obligations will be subject to the applicable laws of the state of Washington.

The following sentence is added to the end of the first paragraph in Item 11, titled "Technology Requirements":

> As a result of Franchisor's independent access to your computer system, there may be an increased risk of disclosure of your sensitive client/customer, employee, or company information resulting from cyber security events and/or data breaches.

The **"Summary"** section of Item 17(c) entitled **Requirements for franchisee to renew or extend** is amended by adding the following:

> Any general release you sign shall not apply to the extent prohibited by applicable Washington state law.

The **"Summary"** section of Item 17(d) entitled **Termination by franchisee** is amended by adding the following:

> Franchisee may terminate the franchise agreement under any grounds permitted by applicable Washington state law.

The **"Summary"** section of Item 17(o) entitled **Franchisor's option to purchase franchisee's business** is amended by adding the following:

Pursuant to RCW 19.100.180(2)(i) and (j), Franchisor may be required to: (i) compensate franchisee for the fair market value of the franchise upon expiration in the event Franchisor refuses to renew the franchise; and (ii) purchase from franchisee at fair market value certain of franchisee's inventory and supplies required by law. To the extent required by law, RCW 19.100.180(2)(i) and (j) will supersede contrary terms in the Franchise Agreement.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____ _____

GK USA FRANCHISE LLC FRANCHISEE

This addendum may also be used as a rider to the Franchise Disclosure Document.

WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

For franchises and Franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the GK USA FRANCHISE LLC Wisconsin Franchise Disclosure Document.

Item 17.

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of the Franchise Agreement.

2. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, will supersede the requirements of Article 19 of the Franchise Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.

Dated:_____ FRANCHISEE:

If an entity:

_____
(Name of Entity)

By:_____

Its_____
(Title)

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____ GK USA FRANCHISE LLC

By: _____
Name: _____
Title: _____

EXHIBIT H
LIST OF STATE ADMINISTRATORS/
AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection and Innovation
TOLL FREE 1-(866) 275-2677

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

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

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

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

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

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

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

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

Kentucky Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

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

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Director, Department of Business Regulations
Rhode Island Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities Regulation
124 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
345 W Washington Ave., 4th Floor
Madison, WI 53703
(608) 266-8550

AGENTS FOR SERVICE OF PROCESS

Attn: Troy S. Rainsberg
GK USA Franchise LLC
1831 Delaware Avenue
Wilmington, Delaware 19806

California Commissioner of the Department of
Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of the Department of Business
Oversight
One Sansome St., #600
San Francisco, California 94104

Commissioner of the Department of Business
Oversight
1515 K Street., Suite 200
Sacramento, CA 95814

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473-2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director, Department of Business Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

South Dakota Division of Insurance
Securities Regulation
124 S. Euclid Suite 104
Pierre, SD 57501
(605) 773-3563

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

EXHIBIT I
FORM OF GENERAL RELEASE

SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE UPON TRANSFER TO AN AUTHORIZED FRANCHISEE

This Termination of Franchise Agreement and Release (the "Agreement") is made this _____day of _____, 20__, by and between GK USA Franchise LLC, a Delaware limited liability company with its principal office located at 1831 Delaware Avenue, Wilmington, Delaware 19806 ("Franchisor"), and _____, a _____ with an address at _____("Transferor").

BACKGROUND

A. On _____, Transferor entered into a franchise agreement (the "Franchise Agreement") with Franchisor for the right to operate a Franchised Business at _____.

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the business to _____, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor's sale of the business, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor will remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to Confidential Information and Non-competition.

3. Transferor represents and warrants that all of Transferor's monetary obligations to Franchisor and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Transferor, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

5. Excluding the indemnification obligations set forth in the Franchise Agreement, and Transferor's obligations as set forth in paragraph 2 of this Agreement, Franchisor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Transferor and Transferor's employees, agents, servants, representatives, affiliates, successors and assigns (the "Transferor

Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Transferor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

7. This Agreement will be construed under the laws of the State of Delaware, which laws will control in the event of any conflict of law.

8. This Agreement will be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

9. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

10. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it will be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

11. Transferor agrees that Transferor has and had a relationship with Franchisor at its offices in the State of Delaware and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement will be commenced and concluded in the State of Delaware pursuant to the mediation, venue, and jurisdiction provisions of the Franchise Agreement.

12. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement will not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement will be deemed to be effective as original signatures.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

GK USA FRANCHISE LLC

By: _____

FRANCHISEE

_____

EXHIBIT J
STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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 K RECEIPT
(RETAIN FOR YOUR RECORDS)

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

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If GK USA Franchise LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit H.

The franchisor is GK USA Franchise LLC, located at 1831 Delaware Avenue, Wilmington, Delaware 19806. Its telephone number is 302-330-2219.

Issuance date: February 19, 2021

The franchise sellers for this offering are: _____ at GK USA Franchise LLC, Franchise Sales Team, 1831 Delaware Avenue, Wilmington, Delaware 19806, 302-330-2219.

GK USA Franchise LLC authorizes the respective state agencies identified on Exhibit H to receive service of process for it in the particular state.

I received a disclosure document dated February 19, 2021, that included the following Exhibits: (A) Financial Statements (B) Franchise Agreement and Exhibits; (D) List of Franchisees and Area Developers; (E) List of Franchisees and Developers Who Left The System; (F) Table of Contents of Operations Manual; (G) State Addenda to Franchise Disclosure Document; (H) List of State Administrators/Agents for Service of Process; (I) Form of General Release; (J) State Effective Dates; and (K) Receipts.

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

_____
(Name of Entity)

By: _____

Its _____

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to GK USA Franchise LLC at 1831 Delaware Avenue, Wilmington, Delaware 19806.

EXHIBIT K RECEIPT
(RETURN TO US)

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

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Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

_____
(Name of Entity)

By: _____

Its _____

_____
(Print Name)

If an individual:

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

You may return the signed receipt either by signing, dating, and mailing it to GK USA Franchise LLC at 1831 Delaware Avenue, Wilmington, Delaware 19806.