FRANCHISE DISCLOSURE DOCUMENT

B & P Burke, LLC
A California Limited Liability Company
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We offer franchises for businesses that specialize in estates sale and business liquidation services under the trade name "Grasons". The total investment necessary to begin operation of a single Grasons franchise is $60,000 to $90,500. This includes $49,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Simone Kelly at 18281 Gothard St., Suite 203, Huntington Beach, CA 92648 and 714-846-3800.

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

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

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

Issuance date: April 12, 2022, as amended December 15, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Exhibit D 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 Grasons 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 Grasons franchisee?	Exhibit F 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 clients, what you sell, how you market, and your hours of operation.

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Guaranty of Performance.** All the owners of the franchise and their spouses will be required to execute personal guarantees. This requirement places the personal assets of the franchise owner(s) at risk.

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

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

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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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 protection 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 franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

(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 franchisee unless provision has been made for providing the required contractual services.

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

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 this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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EXHIBITS

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Guaranty and Brand Protection Agreement)
C. Form of General Release
D. Financial Statements
E. Operations Manual Table of Contents
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G. State Addenda to Disclosure Document and Franchise Agreements
H. State Effective Dates
Receipt (2 copies)

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

General

In this disclosure document, "we", "us," or "our" refers to B & P Burke, LLC, the franchisor. "You" means the person to whom we grant a Franchise. If you are an entity, each owner must sign our Guaranty and Non-Compete Agreement, which means that all of the Franchise Agreement's provisions also will apply to your owners.

Franchisor, and any Parents, Predecessors and Affiliates

We are a California limited liability company that was incorporated on May 8, 2014 and converted to a limited liability company on November 16, 2022. We began offering Grasons franchises ("Franchises") in November 2014. "Marks" as used herein includes Grasons, Grasons Co., Grasons Estate Sale Services, Grasons Co. Estate Sales & Business Liquidation Services and associated logos, commercial symbols and other trade names, service marks and trademarks. The distinguishing characteristics of our system (the "System") include, without limitation, distinctive business formats; procedures; the Confidential Operations Manual (the "Manual"); procedures for operations, accounting, and management; training and assistance; and advertising and promotional programs. We may change the System periodically.

We do business under our corporate name, Grasons, Grasons Co., Grasons Estate Sale Services, and Grasons Co. Estate Sales & Business Liquidation Services. We do not operate businesses of the type being franchised, nor do not engage in any other business activities other than offering, selling and supporting Franchises. We have not offered franchises in other lines of business. Our agent for service of process is disclosed in EXHIBIT "A" to this Disclosure Document.

Our parent company is EHC Holding Company, LLC ("EHCH"), a Delaware limited liability company formed on October 25, 2021, with a principal business address of 630 Fifth Avenue, Suite 400, New York, New York 10111. On November 21, 2022, EHCH acquired our issued and outstanding membership interests from our founder Simone Kelly and her entity Kelly Payton Holdings, Inc. EHCH is directly or indirectly controlled by Riverside Micro-Cap Fund VI-A, L.P. which is part of The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses and it maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, New York 10111.

As a result of the transaction, we are affiliated with Executive Home Care Franchising, LLC, a New Jersey limited liability company formed on June 5, 2012, with a principal business address is 270 State Street, Hackensack, New Jersey 07601. Since June 2012, Executive Home Care Franchising, LLC has offered franchises to operate businesses providing in-home comprehensive care and medical services to home care clients, and supplemental healthcare staffing services to institutional clients, under the mark "EXECUTIVE CARE YOUR HOME CARE COMPANY®". As of December 31, 2021, Executive Home Care Franchising, LLC had thirteen franchises operating in the United States.

We are also affiliated with ALL Franchising, LLC, a Delaware limited liability company organized on August 22, 2022, with a principal business address at 7330 E. Earll Drive, Suite E, Scottsdale, Arizona 85251. Since May 2006, ALL Franchising, LLC and its predecessors have offered franchises to operate home-based businesses that assist seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities under the mark "ASSISTED LIVING LOCATORS". As of December 31, 2021, ALL Franchising, LLC had 130 franchises operating in the United States.

Except as noted above, we do not have any other affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchise Rights Offered

If you sign a Franchise Agreement with us, you will develop and operate a business under the Marks and System (the "Business") that specializes in the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, or bankruptcy, or another change in circumstances ("Estate Sale Services") and for commercial enterprises due to business closures or moves, branch closures or moves, or other changes in circumstances ("Business Liquidation Services"). Together, Estate Sale Services and Business Liquidation Services are "Services".

You will provide Services for clients located within a geographic territory specified in the Franchise Agreement that will have a minimum population of 400,000 people (the "Territory"). Although you must have a valid business mailing address (that is not a residential address), in general, we anticipate that you will operate your Franchise from a home office which must be located in your Territory.

General Market and Competition

The general market for Services is well developed. Your clients for Estate Sale Services will include individuals, trustees and personal representatives of estates. Your clients for Business Liquidation Services will include retail and other commercial enterprises. You will compete against other providers of similar services, most of which are independently owned and operated. Sales are not seasonal.

Laws and Regulations

You must comply with all federal and state licensing and regulatory requirements relating to the operation of your Business. We are not aware of any laws or regulations specific to our industry. You must comply with all laws that apply to businesses generally, including laws governing discrimination and sexual harassment in the work place, minimum wage, EEOC and OSHA standards, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes.

We recommend that you consult with legal counsel to investigate and comply with any laws and regulations.

Item 2
BUSINESS EXPERIENCE

Manager and Chairman of Board of Managers: John Gustafson

Mr. Gustafson has served as a Manager and Chairman of our Board of Managers since November 21, 2022. Since November 1, 2021, he has served in the same role for our parent EHCH and our affiliate Executive Home Care Franchising, LLC. He has also served as the Manager and Chairman of the Board of Managers for ALL Franchising, LLC since August 24, 2022. Previously, Mr. Gustafson served as President, CEO and Board member of Nexant in San Francisco, California from July 2017 through May 2021.

Chief Executive Officer: Tim Hadley

Mr. Hadley has served as our Chief Executive Officer since November 21, 2022. Since December 2021, he has served as the Chief Executive Officer for our parent EHCH and our affiliate Executive Home Care Franchising, LLC, and has served in the same roles for our affiliate ALL Franchising, LLC since August 24, 2022. Previously, Mr. Hadley served as President and CEO of South Bay Homecare of Torrance, California from April 2021 until December 2021. Mr. Hadley was a Senior Advisor to Devonshire Partners of Los Angeles, California from December 2020 until April 2021. From December 2019 through November 2020, Mr. Hadley was an Entrepreneur in Residence at Rivers City Capital Fund in Cincinnati, Ohio. From February 2018 until November 2019, Mr. Hadley was Vice President of IVX Health in Brentwood, Tennessee. Mr. Hadley served as Executive Vice President of Numotion in Brentwood, Tennessee from March 2005 through December 2017

Simone Kelly: Brand President

Ms. Kelly has served as our Brand President since November 2022. From May 2014 to November 2022, she served as our President.

Secretary and Manager: Caroline Peck

Ms. Peck has served as our Secretary and a Manager since November 21, 2022. Since November 1, 2021, she has served in the same roles as well as President for our parent EHCH and our affiliate Executive Home Care Franchising, LLC. She has served in the same roles for our affiliate ALL Franchising, LLC since August 24, 2022. Ms. Peck currently is a Senior Associate in The Riverside Company, in its Santa Monica, California office, and has been with the company since 2016.

Vice President and Manager: L. Joseph Lee

Mr. Lee has served as our Vice President and a Manager since November 21, 2022, and has served in the same roles for our parent EHCH and our affiliate Executive Home Care Franchising, LLC

since November 1, 2021. He has served in the same roles for our affiliate ALL Franchising, LLC since August 24, 2022. Mr. Lee currently is a Senior Partner in the Riverside Company, having been with the company since March 2006, located in its Cleveland, Ohio office.

Chief Growth Officer: Jason Wiedder

Mr. Wiedder has served as our Chief Growth Officer since November 21, 2022 and has served in the same roles for our parent EHCH and our affiliate Executive Home Care Franchising, LLC since December 2021. He has served in the same roles for our affiliate ALL Franchising, LLC since August 24, 2022. He served as Vice President of Franchise Development from March 2018 until December 2021 for Always Best Care located in Roseville, California. Previously, Mr. Wiedder was the Vice President of Franchise Development at Brain Balance, in Walnut Creek, California, from June 2017 until March 2018.

Victor Burke: On-Site/Off-Site Training Manager

Mr. Burke has been our On-Site/Off- Site Training Manager for us since November 2014.

Brenda Gomez: On-Site/Off-Site Training and Support Manager.

Ms. Gomez has been our On-site/Off-Site Training and Support Manager since October 2017.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Initial Franchise Fee

When you sign a Franchise Agreement, you must pay us an initial franchise fee of $49,500. If at the same time you sign the Franchise Agreement, you enter into additional Franchise Agreements, the initial franchise fee for your second Franchised Business will be reduced to $39,500, and the initial franchise fee for your third Franchised Business will be reduced to $34,500. Under a Franchise Agreement, you will receive a Territory that includes a population of approximately 400,000 people. The initial franchise fee is uniformly charged and not refundable under any circumstances.

If you are a qualifying veteran or member of the U.S. armed forces, the initial franchise fee for your first Franchise will be 10% less or $44,550 for the first Franchise Agreement, $35,550 for the second Franchise Agreement and $31,050 for the third. To qualify, you must be a veteran who

has received an honorable discharge from the U.S. Military, and, you must give us a copy of your Form DD 214 showing your status as a veteran.

Included in the payment of the initial franchise fee is an initial equipment package that contains 10 lawn signs, a banner, a tear drop sign, a tote, a notebook, a branded polo shirt, and 250 business cards (the "Initial Equipment Package").

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6.5% of Gross Sales during your first six months of operation; thereafter, the greater of $500 per month or 6.5% of Gross Sales	Monthly, on the 1st day of the following month	
Brand Fund Contribution	1% of Gross Sales during your first six months of operation; thereafter, the greater of $250 per month or 1% of Gross Sales	Monthly, on the 1st day of the following month	
Technology Fee	Then current fee, currently $175 per month	Monthly, on the 1st day of the following month	The Technology Fee is in exchange for software or other technology-related services provided by or through us. It may not be a pass-through of our exact costs. We may add, remove or alter the software or technology products or services that we provide. We may increase the Technology Fee by 3% of last year's Technology Fee each year.
Local Marketing	Minimum of $750 per month	Varies	We require you to spend a reasonable amount on Internet and other advertising to assist you to market your Franchise in your Territory.

Type of Fee	Amount	Due Date	Remarks
Third Party Vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples include computer support vendors, mystery shopping, and client feedback systems. The vendors and suppliers may bill you directly, or we may collect payment together with a reasonable administrative charge for administering the payment program.
Non-compliance fee	$250 per each instance of non-compliance	On demand	We may charge $250 for each instance of non-compliance that you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $250 per week until you correct such non-compliance.
Out of Territory Sales	The greater of (a) $500; or (b) 75% of the amount paid by such client to you	On demand	If you provide Services to a client outside of your Territory without our prior approval, we may assess this fee.
Reimbursement	Amount that we spend on your behalf, plus 20% as an administrative fee	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	$100 plus interest on the unpaid amount at a rate equal to 10% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	$50 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.

Type of Fee	Amount	Due Date	Remarks
Costs of collection/enforcement	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorneys' fees) in attempting to collect amounts you owe to us or otherwise enforcing our rights under the Franchise Agreement.
Special support fee	Our then-current fee, plus our expenses. Currently, $600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Client complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a client complaint about your Franchise. If we respond to a client complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported sales.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$15,000	When transfer occurs	
Renewal fee	$10,000	When you renew your franchise	Payable prior to the expiration of the initial term
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your Franchise (unless caused by our intentional misconduct or gross negligence).

Type of Fee	Amount	Due Date	Remarks
Attorneys' Fees and Costs	You must reimburse us for our actual fees and costs in the event we are required to enforce the terms of the Franchise Agreement.	On Demand	
Annual Conference	Our then current mandatory registration fee (currently, $450 per registrant)	At the time of registration	Your attendance at our annual franchisee conference is mandatory and you will be charged this fee even if you do not attend the conference. You are responsible for all of your travel and living expenses.
Reimbursement of Insurance Costs	Amount of expenses we incur (including premiums)	10 days after invoice	If you fail to obtain and maintain the insurance we require, and we elect to do so on your behalf, you must reimburse us.
Initial Training Fee	$1,500 for one additional attendee.	Before training.	We do not charge a training fee for initial training for up to two people. You may one additional attendee to training provided you pay us a Training Fee for such additional person. You are responsible for all of your costs and expenses related to travel, lodging, meals and wages.
Additional Training Fee	Our then current fee.	Upon receipt of invoice.	We do not currently require additional training programs or refresher courses, but we have the right to do so. If we provide such training, we may require you to pay us the Additional Training Fee and all travel and lodging expenses we incur if the training is provided at your Business location. If the Additional Training is held at our headquarters, you will also be responsible for all of your costs and expenses related to travel, lodging, meals and wages.

Note 1: **"Gross Sales"** is the gross sales price of all personal property sold, directly or indirectly, by you or your owners by any method including, without limitation, (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or any other electronic method), or by classified ad, flyer, brochure and catalog. Gross Sales do not include bona fide refunds given to clients and sales taxes properly remitted to the taxing authority. Credit card charges may not be deducted from Gross Sales.

All fees are payable only to us. All fees are imposed by us and collected by us. All fees are

non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	$49,500 (initial franchise fee reduced for each additional Franchise Agreement you sign)	Check or wire transfer	Upon signing the Franchise Agreement	Us
Computer Systems (see Note 2)	$450 - $5,900	Check, debit, and/or credit	As incurred	Vendors and suppliers and designated suppliers
Insurance	$500 - $3,000	Check	Upon ordering	Insurance company
Vehicle (see Note 3)	$0 - $3,000	Check	Upon purchase	Vendor
Office Expenses/Supplies/ Business Address (see Note 4)	$1,050 - $1,600	Check, debit, and/or credit	As incurred	Vendors
Licenses and Permits	$500 - $1,500	Check	Upon application	Government
Dues and Subscriptions	$1,000 - $3,000	Check, debit, and/or credit	As incurred	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.)	$0 - $7,500	Check, debit, and/or credit	As incurred or when billed	Professional service firms

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel, lodging and meals for initial training	$1,500 - $2,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 5)	$5,500 - $13,500	Varies	Varies	Employees, suppliers
Total	**$60,000 - $90,500**			

GENERAL NOTE: The above chart lists estimates of the initial investment funds necessary to open a Franchised Business. These estimated ranges are based on our franchisees' experience in developing Franchised Businesses. These estimates may vary based on your specific location and market.

1. The Initial Franchise Fee for a Franchised Business is $49,900. If you choose to sign a second Franchise Agreement, the initial franchise fee for the second Franchised Business will be reduced to $39,900. If you choose to sign a third Franchise Agreement, the initial franchise fee for the third Franchised Business will be reduced to $34,500. The Initial Franchise Fee is due and payable in full when you sign the Franchise Agreement and is non-refundable under any circumstances.

2. You will need a laptop or tablet computer and software including POS software that we specify. See Item 11 for current requirements. The low-end estimate assumes you already own a laptop or tablet that you use for the Business. The high-end estimate assumes you do not have your own computer, and you purchase a new approved register stand, drawer and tablet for your POS system.

3. You must have a vehicle to be used for the operation of your Franchise. We do not require any particular type of vehicle. It must be in good condition, clean, dent-free, and otherwise presenting a professional appearance. The low end assumes you will use your current vehicle in the operation of the franchised business. The high end assumes you purchase a vehicle for use in the franchised business.

4. We anticipate that you will operate from a home office which must be located in your Territory and this estimate assumes that you will operate from a home office. However, you must have a valid business mailing address (i.e., not a residential address) for the Business prior to opening, the cost of which ranges between $100 to $400 annually.

5. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, folding tables, tablecloths, pop up tent, sales tags, blue tape, rent, three months of local advertising and other operating expenses. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the experience of our franchisees and our general knowledge of the industry.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your Franchise (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications. You must comply with any changes we make in the future to these requirements.

The following are our current specific obligations for purchases and leases:

A. Insurance and Bonding. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage for primary vehicle along with any trailers and box trucks used in the business in an amount of not less than $1,000,000, and (iii) Workers Compensation and disability insurance coverage as required by state law. Your insurance policies must add us and our affiliates as additional insured. You must also obtain a $25,000 bond.

B. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

Neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we reserve the right to be a supplier (or the sole supplier) of any good or service in the future. None of our officers have an ownership interest in any supplier to our franchisees.

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our System, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after evaluation of the intended changes. We may also conduct limited market testing in one or more operating units.

Neither we nor any affiliate currently derive revenue from required purchases and leases by franchisees; however, we reserve the right to do so in the future.

We estimate that the required purchases and leases to establish your Franchise are 20 to 50% of your total purchases and leases to establish your Franchise. We estimate that the required purchases and leases of goods and services to operate your Franchise are 10% to 20% of your total purchases and leases of goods and services to operate your Franchise.

Neither we nor any affiliate currently receive payments from any designated suppliers based on purchases by you or other franchisees; however, we reserve the right to do so in the future. No purchasing or distribution cooperative currently exists. We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.3, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.7, 10.5, 11.2, 11.3, 14.5,15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.8 – 7.10, 7.12, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16

Obligation	Section in agreement	Disclosure document item
j. Warranty and client service requirements	§§ 7.7, 7.8	Item 8
k. Territorial development and sales quotas	7.20	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Not applicable	Item 7
n. Insurance	§ 7.12	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10
FINANCING

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

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

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

Our Pre-Opening Obligations

Before you open your Franchise:

A. *Your Site.* Because we expect you will have a home-based business, we do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

B. *Hiring and training employees*. All hiring decisions and conditions of employment are your sole responsibility. (Section 7.5)

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your Franchise. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

D. *Operating Manual*. We will give you access to our Manual (Section 5.1).

E. *Initial Training Program.* We will conduct our initial training program. (Section 6.3). The current initial training program is described below.

F. *Business plan review*. If you request, we will review your pre-opening business plan and financial projections. (Section 5.4).

G. *Market introduction plan*. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

H. *On-site opening support.* If you request, we will have a representative provide on-site support for two days in connection with your Franchise opening. There is no fee associated with this support (Section 5.4).

I. *Equipment Package.* We provide you with the Initial Equipment Package at no charge. (Section 5.4).

Length of Time To Open

The typical length of time between signing the Franchise Agreement and the opening of your Franchise is 30 days. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule initial training, and hire employees.

Our Post-Opening Obligations

After you open your Franchise:

A. *Developing products or services you will offer to your clients*. Although it is our intent to refine and develop the products and services that you will offer to your clients, the Franchise Agreement does not require us to do so.

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational

instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your Franchise; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your Franchise, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

D. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our System.

E. *Brand Fund*. We will administer the Brand Fund. (Section 5.5).

F. *Website*. We will maintain a website for the Grasons brand, which will include your Franchise information and telephone number. (Section 5.5)

Advertising

(i) *Our obligation*. We will use the Brand Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which will be paid for by the Brand Fund). We have no other obligation to conduct advertising.

(ii) *Your own advertising material*. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

(iii) *Advertising council*. We do not have an advertising council composed of franchisees. The Franchise Agreement does not give us the power to form an advertising council.

(iv) *Local or Regional Advertising Cooperatives.* We may, in our discretion, designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Business. If a Cooperative is established applicable to the Business, you must participate in the Cooperative. Cooperative contributions will be credited towards the Local Marketing Requirement discussed below. The following provisions will apply to each Cooperative:

(1) Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, we approve in advance;

(2) Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local marketing;
(3) No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials must be submitted to us in accordance with our procedures;
(4) Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; however, the Cooperative may, by a two-thirds majority vote of its members, require a Cooperative contribution in excess of the Local Marketing Requirement;
(5) Each member franchisee must submit to the Cooperative its respective contribution together with such other statements or reports as we may require or as may be required by the Cooperative with our approval;
(6) We may grant to you, in our sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request from you stating reasons supporting such exemption. Our decision concerning such request for exemption will be final; and
(7) We will have the power to require any Cooperative to be formed, changed, dissolved, or merged at any time.

(v) *Brand Fund*. You and all other franchisees must contribute to our Brand Fund. Your required contribution is 1% of Gross Sales during your first six months of operation; thereafter, the greater of $250 per month or 1% of Gross Sales. Other franchisees may have contractual obligations for higher or lower contributions. In our sole discretion, businesses owned and operated by us, or our affiliates may, but are not obligated to, contribute to the Brand Fund. You acknowledge that the use of the Brand Fund or other advertising funds or accounts and the expenditures made thereby, may benefit us and our businesses, even though these businesses may or may not contribute to the Brand Fund or other advertising funds or accounts.

We administer the Brand Fund. We have the right to reimburse ourselves from the Brand Fund for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Brand Fund. The Brand Fund is not audited. We will make unaudited annual financial statements available to you upon request.

We also have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. We may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

In 2021, we used the Brand Fund for social media and Internet marketing (80%) and public relations (20%). If all Brand Funds are not spent in the fiscal year in which they are collected, the money will remain in the Brand Fund to be spent in the following year. No money from the Brand Fund is spent principally to solicit new Franchise sales; however, we reserve the right to include a notation in any advertisement indicating "Franchises Available."

(vi) *Market introduction plan.* You must develop a market introduction plan and obtain

our approval of the plan at least 30 days before the projected opening date of your Franchise.

(vii)

(viii) *Local Marketing.* We require you to spend a minimum of $750 each month the Business is open and operating on local marketing, including Internet advertising.

Computer Systems

We require you to use a personal computer and a tablet, which may be one that you already own. You will also use Square for your POS system. You must purchase a compatible tablet, stand and cash drawer (and you cannot operate Square from your phone), along with Wi-Fi capabilities. You must have typical office software such as Outlook, Excel, QuickBooks online and the latest operating program for Microsoft Windows.

The Square system is a portable point-of-sale system, capable of taking credit cards, debit cards, and cash transactions for all items pre- and post-sold and at the actual sale. Your computer systems will generate or store data such as daily sales report, complete final sales report per sale (which you will provide to us and to your clients) and monthly revenue, credit card charges and discounts given to buyers. A detailed list of items sold must be input into the Square system which must be shared with your clients and us.

(i) The personal computer and tablet will be $0 to $5,000 dollars (the low end assuming you use a computer and tablet you already own), plus $150 to $300 per month for subscription-based software (for Square, QuickBooks online, Microsoft Windows).

(ii) We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you to enter into any such contract with a third party.

(iii) You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

(iv) We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts (including subscription-based software) will be $360 to $1800 per year. You may also be required to pay a fee of approximately $50 per month to Square to enable us to have access to the information contained on the POS system. As your operations grow and if you require multiple accounts to operate your franchise, the monthly Square payment may increase to $150 per month.

You must give us independent access to the information that will be generated or stored in these systems, including any merchant processing system. The information that we may access will include sales, client data, and reports. There is no contractual limitation on our right to access the information. The risks associated with the lack of contractual limits on our ability to access software data include risk of disclosure of your sensitive client/customer, employee, or company information resulting from cyber security events and/or data breaches.

Operating Manual

See Exhibit E for the table of contents of our Manual as of the date of this disclosure document, with the number of pages devoted to each subject. There are 404 pages total in the

Manual.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Monday – on site at office -Review operations manual, sign completion - How to Get Ready for the Sale	8	-	Huntington Beach, CA
Tuesday – off site at sale Staging and Set Up a Mock Sale - How to Stage - How to Price - How to Get Ready for the Sale - On the Job Training - Managing an Actual Set up of a Sale	-	8	Huntington Beach, CA
Wednesday – onsite at office -Review Q&A for previous day of staging etc. -Guest speaker by recognized Social Media and website expert - Marketing - Internet Advertising -Setting up social media, listing sites & web page -Review and teach the Sale Contract - Mock up Interview to prepare for a Client Appointment -Attend a Client appointment (time can vary)	8	-	Huntington Beach, CA

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Thursday – offsite at sale - Actual Sale - Signage and Set Up - How to Manage and Handle the Actual Sale - Greeting clients, helping buyers, staging thru out sale, register training - Security - Q & A	-	8	Huntington Beach, CA
Friday – onsite at office -Q&A review of previous day sale experience -Guest speaker renowned business owner importance of branding -Supply list review, order supplies signs, banners, marketing etc. -Photography protocol for sales -Entering listing into all sites and media -Information provided for local Chamber and Industry leaders -Intranet training, accounting review - Wrap Up and Conclusion	8	-	Huntington Beach, CA
Saturday – Offsite at sale (optional) - Final Day of Sale -Assist and prepare to run the final day of sale with experienced franchisee -Train on final day discounts - Clean Out -Q&A		8 (optional)	Huntington Beach, CA
TOTALS:	40	24 + 8 optional	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes once per month. Training will be held at our offices in Huntington Beach, CA. Classroom training may be offered virtually.

The instructional materials consist of the Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led by Simone Kelly. Her experience is described in Item 2. She has over ten years of experience in our industry.

There is no fee for up to two people to attend training. You may send up to one additional person to training for a fee of $1,500. You must pay the travel and living expenses of the people you send to attend training.

You or if you are an entity, your Operating Principal (as defined in Item 15), must complete training to our satisfaction and open the Business within 90 days of signing the Franchise Agreement and we have the right to terminate the Franchise Agreement if you fail to do so.

We intend to hold an annual franchisee conference each year, and if we do, your Operating Principal's attendance is mandatory. The conference registration fee is currently $250 per person.

Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Item 12
TERRITORY

We anticipate that you will operate from a home office which must be located in your Territory. However, you must have a valid business mailing address (i.e., not a residential address) for the Business prior to opening.

You may relocate your business location anywhere in your Territory, and your Territory will remain unchanged.

Your Franchise Agreement will specify a Territory which will have a minimum population of approximately 400,000 people. Your Territory will be specified by zip codes, county or city lines, or other boundary. You do not have the right to establish additional Franchises or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your Franchise Agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-Territory Franchise successfully, and (4) obtain our agreement, execute our then current Franchise Agreement and pay us an initial fee. You do not receive any options, rights of first refusal, or similar rights to acquire additional Franchises.

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 we control.

However, you are granted certain territorial protections in your Territory. Except as described below, we will not (i) provide Services under the Marks for clients in your Territory; or (ii) license or franchise another party to provide Services under the Marks for clients in the Territory. Except as provided in the preceding sentence, you are not granted any exclusive or protected territorial rights under the Franchise Agreement. Specifically, we and our affiliates reserve the right to:

(a) provide Services for clients (or authorize third parties to provide Services for clients)

in your Territory if you are in default, or if you are incapable of meeting client demand in your Territory, as determined by us in our reasonable discretion;

(b) operate businesses that offer products and services that may be similar to the Services (including, without limitation, business liquidation services) under marks other than the Marks in your Territory and grant third parties the right or license to operate businesses that offer similar products and services under the marks other than the Marks in your Territory;

(c) operate businesses that offer the Services under the Marks outside of your Territory and grant third parties the right or license to operate businesses that offer Services under the Marks outside of your Territory;

(d) sell and distribute, and license others to sell and distribute, products and services bearing the Marks or other marks through other channels of distribution including, without limitation, the Internet, telemarketing, direct marketing or catalogs anywhere;

(e) acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at our option, convert them to businesses operating under the Marks or any other name; and

(f) establish, own or operate, and grant others the right to establish, own or operate a business offering the same or similar services as those offered through a Grasons Business, or different services under different trademarks (other than the Marks) inside and outside the Territory.

In the circumstances where the Franchise Agreement does not prohibit us from soliciting or accepting orders from inside your Territory, we do not pay any compensation to you.

You must meet or exceed the following minimum performance criteria (the "Minimum Performance Criteria") during each 12-month period during the term of the Franchise Agreement (each such 12-month period is referred to herein as a "Performance Year"):

(a) During the first Performance Year, you must have had at least 12 estate or business liquidation sales;

(b) During the second Performance Year, you must have had at least 24 estate or business liquidation sales; and

(c) During the third Performance Year and for each remaining Performance Year during the initial term, you must have had at least 36 estate or business liquidation sales.

Except as set forth above, there is no minimum sales quota under the Franchise Agreement or other requirement regarding market penetration or other contingency, and there are no circumstances that permit us to modify your territorial rights.

All Services must be provided by you for clients located in your Territory. You cannot solicit or market to potential clients for Services outside of your Territory, except for solicitations or marketing which are primarily targeted inside the Territory, and which incidentally reach

potential clients outside of the Territory. You cannot provide Services for clients outside of your Territory without our prior written permission. We may withdraw permission at any time. However, there are no limitations with respect to your marketing and sales activities for the clients who purchase items from estate or business liquidation sales for clients located in your Territory.

Neither we nor any of our affiliates operate franchises or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the Franchise Agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

The Item contains information regarding the principal Marks that we license to you. These Marks are owned by us. The Marks appearing in the following table have been registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration Date	Registration Number
	March 10, 2015	4,698,802
	April 6, 2021	6,314,307
GRASONS	May 11, 2021	6,345,453

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

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

All required affidavits relating to the Marks detailed in the chart above have been or will be filed at the appropriate time.

We protect your right to use the Marks listed in this Item and protect you against claims of infringement or unfair competition arising out of your use of the Marks, to the extent described in this section.

The Franchise Agreement obligates you to notify us of the use of, or claims of rights to, a Mark identical to or confusingly similar to a Mark licensed to you. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you.

If you use our Marks in accordance with the Franchise Agreement, then (i) we will defend you (at our expense) against any legal action by a third-party alleging infringement by your use of the Mark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the Franchise Agreement, we may require you to modify or discontinue using a Mark, at your expense.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, patents that are material to the Franchise. We do not have any pending patent applications.

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your Franchise.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

We have a proprietary, confidential Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information and know-how.

You (and your owners, if the Franchise is owned by an entity) must protect the confidentiality of our Manual and other proprietary information and use our confidential information only for your Franchise. We may require your managers and key employees to sign confidentiality agreements.

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

If you are the sole owner of the Franchise, then you are deemed the "Operating Principal". If the business is owned through a corporation or limited liability company, you must designate one person as your "Operating Principal". The Operating Principal is the executive primarily responsible for your business, must have the authority to bind you and must use his or her full time and best efforts to manage the day-to-day business of the Franchise. The Operating Principal is required to own at least 10% of the Franchise. The Operating Principal must complete our initial training program and post-opening training programs that we develop in the future. The Operating Principal must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Operating Principal cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business and the spouse of each owner must sign our Guaranty and Non-Compete Agreement that is attached to the Franchise Agreement.

When your business performs Services for a client, you are not required to personally conduct "on-premises" supervision of each sale. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the Franchise is owned by an entity, we do not require that the general manager to own any equity in the entity unless the general manager is also the Operating Principal.

If we request, you must have your general manager, employees and independent contractors execute a Brand Protection Agreement in the form attached to the Franchise Agreement as Exhibit C.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

You must offer the Services only for clients located in your Territory. You may not offer other types of services under the Marks. There are no limitations with respect to the clients who purchase items from estate or business liquidation sales for clients located in your Territory.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from date of Franchise Agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor Franchise Agreement for up to two additional 5- year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	For our System, "renewal" means that at the end of your term, you sign our successor Franchise Agreement for an additional five-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance; conform your business to then-current standards for new franchisees; sign then-current form of Franchise Agreement; pay renewal fee; have met Minimum Performance Criteria; sign general release (unless prohibited by applicable law).

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	§ 14.1	If we violate a material provision of the Franchise Agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We can terminate if you default.
g. "Cause" defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate Franchise Agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non- curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; intentionally submitting false information; bankruptcy by Franchisee or any Owner; Franchisee or the Operating Principal fails to satisfactorily complete the initial training program or the Business fails to open within 90 days of signing the Franchise Agreement; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; libel or defamation of us; cease operations for more than 5 consecutive days; failure to meet Minimum Performance Criteria; three defaults in 12 months; termination or acceleration of another agreement between us and you or any affiliates; charge or conviction of a felony or engages in any activity reasonably likely to materially and unfavorably affect our brand; any other breach of Franchise Agreement which by its nature cannot be cured. If you own more than one unit, termination of one unit could cause the termination of other unit(s) at our option.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, Internet, and other providers and transfer service; cease doing business and using the Marks and System; remove identification; cancel fictitious names relating to Marks; and provide us a copy of your business records, including client list.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee – defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the Franchise Agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current Franchise Agreement and guaranty; you've made all payments to us and are in compliance with the Franchise Agreement; buyer completes training program; you sign a general release; business complies with then-current System specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.7	We have the right to match any bona fide, arms-length offer for your business.
o. Franchisor's option to purchase franchisee's business	Not Applicable	

Provision	Section in franchise or other agreement	Summary
p. Death or disability of franchisee	§§ 15.4, 11.9	If you die or become incapacitated, your executor must transfer the business to a third party within nine months. We have the right to temporarily operate the business if you die or become incapacitated.
q. Non-competition covenants during the term of the franchise	§ 13.2(a)	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2(b)	For two years, no ownership or employment by a competitor operating in within a twenty-five (25) mile radius of your Territory, (b) within the Territory of any other Grasons business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons business, or (c) within a twenty-five (25) mile radius of any Grasons business operated by Franchisor or its affiliate.
s. Modification of the agreement	§ 18.4	No modification or amendment of the Franchise Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or System specifications.
t. Integration/merger clause	§ 18.3	The Franchise Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. However, this does not disclaim the representations made by us in this disclosure document. Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	§§17.1; 17.2. 17.3	You must first bring any claim or dispute between you and us to our President and provide us with thirty (30) days' notice and opportunity to cure. You must exhaust this

		internal dispute resolution procedure before you may bring your dispute before a third party. After exhausting this internal dispute resolution procedure, at out option, all claims or disputes must be submitted first to mediation or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants. (subject to applicable state law).
v. Choice of forum	§§ 17.3; 17.5	Arbitration will take place where our headquarters is located (currently, Huntington Beach, California) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, the laws of the state of California shall govern. However, solely with respect to the non-competition covenants of Section 13.2 of the Franchise Agreement, the parties agree that the laws of the state where Franchisee's Business is located shall apply.

For additional disclosures required by certain states, refer to Exhibit G - State Addenda to Disclosure Document.

Item 18
PUBLIC FIGURES

We do not use any public figure to promote your 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.

Table 1

FY 2021 Gross Sales for Franchises Operating All of FY 2021

Table 1 shows the average annual historic Gross Sales during the fiscal year ended December 31, 2021 (**"FY 2021"**) for the 28 franchise outlets operating at the end of FY 2021.

Top 25% of Franchises by Gross Sales	**Mid-Upper 25% of Franchises by Gross Sales**	**Mid-Lower 25% of Franchises by Gross Sales**	**Bottom 25% of Franchises by Gross Sales**
CATEGORY: AVERAGE GROSS SALES			
$ 755,123	$ 343,128	$ 170,672	$ 77,907
CATEGORY: MEDIAN GROSS SALES			
$ 735,056	$ 311,820	$ 148,535	$ 63,313
NUMBER OF FRANCHISES MEETING OR EXCEEDING AVERAGE FOR CATEGORY			
2 or 29% of 7 Franchises in Top 25%	3 or 43% of 7 Franchises in Mid-Upper 25%	3 or 43% of 7 Franchises in Mid-Lower 25%	3 or 43% of 7 Franchises in Bottom 25%
RANGE OF GROSS SALES FOR CATEGORY			
$511,724 to $1,072,122	$232,995 to $480,488	$134,201 to $222,177	$33,313 to $127,084

AVERAGE OF THE TOP 50% OF FRANCHISES BY GROSS SALES	$ 549,125
MEDIAN OF THE TOP 50% OF FRANCHISES BY GROSS SALES	$ 496,106
NUMBER OF FRANCHISES MEETING OR EXCEEDING THE AVERAGE OF THE TOP 50%	6 or 43% of 14 Franchises included in the average

AVERAGE OF THE BOTTOM 50% OF FRANCHISES BY GROSS SALES	$ 124,289
MEDIAN OF THE BOTTOM 50% OF FRANCHISES BY GROSS SALES	$ 130,643
NUMBER OF FRANCHISES MEETING OR EXCEEDING THE AVERAGE OF THE BOTTOM 50%	8 or 57% of 14 Franchises included in the average

Table 2
FY 2021 Gross Sales and Other Data for Each Franchise Outlet Operating All of FY 2021

Table 1 shows the average annual historic Gross Sales during FY 2021 for the 28 franchise outlets in operation at the end of FY 2021, as well as Territory population and number of sales.

Franchise Opening Month/Year	Population in Territory	FY 2021 Gross Sales	Number of Sales in FY 2021
June 2018	561,000	$109,145	20
October 2014	1,020,637	$623,237	78
January 2015	938,000	$232,995	30
February 2015	2,078,952	$916,737	88
March 2015	1,488,231	$691,914	74
April 2015	1,154,000	$511,724	55
July 2015	2,733,029	$1,072,122	36
August 2015	441,060	$735,056	75
June 2018	725,991	$311,820	46
September 2016	1,200,000	$222,177	23
October 2016	765,000	$480,488	33
May 2017	2,365,202	$194,370	20
November 2017	1,047,000	$735,070	77
November 2017	541,781	$148,535	21
August 2018	856,000	$213,258	8
August 2018	820,000	$264,363	19
December 2018	846,006	$63,313	6
October 2019	1,163,671	$134,201	10
January 2020	412,915	$267,469	34
January 2020	559,723	$403,060	49
February 2020	762,148	$143,935	25
December 2020	770,000	$127,084	32
March 2021	876,000	$33,313	2
January 2021	676,000	$58,212	11
February 2021	597,563	$38,707	8
March 2021	848,820	$441,700	44
September 2020	558,911	$138,225	23
February 2021	968,754	$115,572	18

Notes to Tables:

1. **"Gross Sales"** is defined as the gross sales price of all personal property sold, directly or indirectly, by you or your owners by any method including, without limitation, (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or any other electronic method), or by classified ad, flyer, brochure and catalog. Gross Sales do not include bona fide refunds given to clients and sales taxes properly remitted to the taxing authority. Credit card charges may not be deducted from Gross Sales.

2. **"Franchise Opening Month/Year"** is the month and year that the Franchise first opened for business. In certain instances, a Franchise may have been opened by a different franchisee and then transferred to the current owner.

3. **"Population"** is the population of the Franchise's Territory per the U.S. Census Bureau Population and Housing Bureau reports between 2007 and 2010. The standard territory offered under this disclosure document is a population of 400,000.

4. **"Number of Sales in 2021"** is the number of estate or business liquidation sales for each Franchise during FY 2021.

5. Revenues, costs and profits can vary widely between Franchises and may depend on the size and demographic considerations of your Territory as well as your business experience and acumen. We suggest that you speak with franchisees with Franchises located in geographic areas that are similar to the area within which you intend to operate to better understand factors that may affect your potential revenues, costs and profits.

We prepared the information in the table above from information provided by our franchisees. These reported results are not audited, and we have not independently verified data provided by our franchisees, although we believe it to be accurate. The information provided herein is a historic financial performance representation and is not a forecast of future potential performance.

You will incur expenses in the operation of your Franchise, which are not included in this Item 19, such as payroll and benefits, bank charges, advertising costs, accounting and management costs, licenses and permits, printing and supplies, training expense, telephone expense, insurance, maintenance and utilities, debt service, taxes, and royalties and other amounts due to us under the Franchise Agreement (see Item 6 for more information on amounts payable to us under the Franchise Agreement).

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

Some Franchises have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

We recommend that you make your own independent investigation to determine whether the Franchise may be profitable and that you consult with an attorney and other advisors prior to executing the Franchise Agreement.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income you should report it to our management by contacting Simone Kelly, 18281 Gothard St., Suite 203, Huntington Beach, CA 92648, and 714-846-3800, the Federal Trade Commission and the appropriate state agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	23	22	-1
	2020	22	25	+3
	2021	25	28	+3
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	**2019**	**23**	**22**	**0**
	2020	**22**	**25**	**+3**
	2021	**25**	**28**	**+3**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 to 2021

State	Year	Number of Transfers
California	2019	3
	2020	3
	2021	5
Total	**2019**	**3**
	2020	**3**
	2021	**5**

Table 3
Status of Franchised Outlets
For years 2019 to 2021

State	Year	Outlets at the Start of the Year	Outlets Opened	Termi-Nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2019	3	0	0	0	0	2	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
California(1)	2019	17	4(2)	0	0	0	1	20
	2020	20	5	1	0	0	1	23
	2021	23	3(3)	0	0	0	0	26
Ohio	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Pennsylvania	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Texas	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

State	Year	Outlets at the Start of the Year	Outlets Opened	Termi-Nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Totals	**2019**	**23**	**4**	**0**	**0**	**0**	**5**	**22**
	2020	**22**	**5**	**1**	**0**	**0**	**1**	**25**
	2021	**25**	**3**	**0**	**0**	**0**	**0**	**28**

(1) Certain of our franchisees have opened up two offices in their Territory as reflected on Exhibit F although they are counted only once in the chart above.
(2) One of the outlets counted at the beginning of 2019 was split into two territories at the end of 2019. Column 4 for 2019 includes one outlet as an "outlet" opened that relates to this split (Southbay Beachside and PV-Carson and Del Reys).
(3) Multiple outlets were created and merged from existing franchises such as the Santa Clara Territory being integrated into East Alameda.

Table 4
Status of Company-Owned Outlets
For years 2019 to 2021

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	**2019**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**

Table 5
Projected Openings As Of December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
California	0	3	0
Illinois	0	3	0
Indiana	0	2	0
Totals	**0**	**8**	**0**

Exhibit F contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets, as well as the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of

every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to maintain all information that the former franchisee has about us confidential. We have entered into these Termination and Release Agreements (including the confidentiality clause) within the past 3 years. Sometimes, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but know that not all franchisees can communicate with you.

There are no trademark-specific franchisee organizations associated with our System.

Item 21
FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for the fiscal years ending December 31, 2021, December 31, 2020, and December 31, 2019. Also included as Exhibit D are our unaudited financial statements as of November 30, 2022. These financial statements have not been audited or reviewed by an accountant and are incomplete, as they do not contain any financial statement notes.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Guaranty and Non-Compete Agreement and Brand Protection Agreement)
C. Form of General Release
G. State Addenda to Franchise Agreement

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible or the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Bureau Indiana Secretary of State Securities Division Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Ave. State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–68-2 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Washington	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760	
Wisconsin	Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448	Administrator Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way Madison, WI 53705 (608) 266-0448

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE

1. Effective Date (first paragraph): _____

2. Franchisee's Name (first paragraph): _____

3. Franchisee is a (check one):

_____ Sole Proprietorship
_____ Partnership
_____ Limited Liability Company
_____ Corporation

State of Organization *(if applicable):* _____

4. Territory (Section 2.1) *(attach map if necessary)*: _____

_____

5. Ownership of Franchisee (Section 2.3): If the franchisee is an entity, the following persons constitute all the owners ("Owners") of a legal and/or beneficial interest in Franchisee:

Name	Percentage Ownership

6. Operating Principal (Section 2.4): _____

7. Initial Franchise Fee (Section 4.1): $_____

8. Opening Date (Section 6.6): $_____

9. Franchisee's Address for Legal Notices: _____

_____

_____

10. Additional Terms *(if any)*: _____

_____

_____

Initials: _____(B & P Burke, LLC) _____(Franchisee)

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the date (the **"Effective Date"**) set forth on the Summary Page, which appears after the cover page of this Agreement (the **"Summary Page"**) (the Summary Page and all appendices and schedules attached to this Agreement are hereby incorporated by this reference), by and between **B & P Burke, LLC**, a California limited liability company (**"Franchisor"**) and the individual or entity identified on the Summary Page as the franchisee (**"Franchisee"**) with his, her or its principal place of business as set forth on the Summary Page.

Background Statement:

A. Franchisor has created and owns a system (the **"System")** for developing and operating businesses that specialize in providing Services (as defined) under the trade name Grasons.

B. The distinguishing characteristics of the System include, without limitation, distinctive business formats; procedures; the Confidential Operating Manual (the **"Manual"**); procedures for operations, accounting, and management; training and assistance; and advertising and promotional programs, which may be changed periodically.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Grasons business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Products and Services which has been approved by Franchisor.

"**Business**" means the Grasons franchise owned by Franchisee and operated under this Agreement.

"Business Liquidation Services" means the sale and disposal of business assets of commercial enterprises due to business closures or moves, branch closures or moves, or another change in circumstances.

"**Competitor**" means any business means any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services (except for any businesses operated by Franchisee pursuant to a license from Franchisor or one of Franchisor's affiliates).

"**Confidential Information**" means all non-public information of or about the System, Franchisor, and any Grasons business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, client data, information, intellectual property and know-how.

"Digital Marketing" is defined in **Section 9.6.**

"Effective Date" is defined on the Summary Page.

"Estate Sale Services" means the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, bankruptcy, or another change in circumstances.

"Gross Sales" is the gross sales price of all personal property sold, directly or indirectly, by Franchisee or any of its owners by any method including, without limitation, (a) sales at physical locations; (b) consignment/auction sales; and (c) sales advertised or marketed by any media including on the Internet (or other electronic method), or by classified ad, flyer, brochure and catalog. Gross Sales do not include bona fide refunds given to clients and sales taxes properly remitted to the taxing authority. Credit card charges may not be deducted from Gross Sales.

"Indemnitees" is defined in **Section 16.1.**

"Innovations" is defined in **Section 11.4.**

"**Location**" is defined on the Summary Page.

"**Losses**" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"**Manual**" means Franchisor's confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

"**Brand Fund**" means the fund established (or which may be established) by Franchisor into which Brand Fund Contributions are deposited.

"Brand Fund Contribution" is defined in **Section 4.3**.

"**Marks**" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a Grasons business.

"Minimum Performance Criteria" is defined in **Section 7.20.**

"**Owner**" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual, then **"Owner"** means Franchisee.

"Performance Year" is defined in **Section 7.20.**

"Operating Principal" is defined on the Summary Page.

"**Privacy Information**" means all information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Privacy Information includes but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household: identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet protocol

address, email address, account name, social security number, driver's license or state identification card number, passport number, signature, physical characteristics or description, telephone number, insurance policy number, bank account number, credit card number, debit card number or any other financial information, medical information or health insurance information; characteristics of protected classifications under state or federal law; commercial information, including records of personal property, products or services purchased, obtained or considered, or other purchasing or consuming histories or tendencies; biometric information; Internet or other electronic network activity information including, but not limited to, browsing history, search history, and information regarding a consumer's interaction with an Internet website, application, or advertisement; geolocation data; audio or electronic information; professional or employment-related information; education information that is not publicly available personally identifiable information as defined in the Family Educational Rights and Privacy Act (20 USC § 1232g; 34 CFR Part 99); and inferences drawn from any of the information identified in this subsection to create a profile about a consumer reflecting the consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities and aptitudes. Privacy Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"**Products and Services**" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating the Business.

"**Required Vendor**" means a supplier, vendor, or distributor of Products and Services that Franchisor requires Franchisee to use.

"Restricted Parties" is defined in **Section 13.2(a).**

"Royalty Fee" is defined in **Section 4.2**.

"Services" means Estate Sale Services and Business Liquidation Services.

"**System Standards**" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, including without limitation, any procedures, requirements and/or standards for appearance, business metrics, uniforms, vehicles, cleanliness, client service, data protection and privacy, design, equipment, inventory, marketing and public relations, minimum numbers and types of personnel, operating hours, presentation of Marks, product offerings, quality of services, reporting, safety, service offerings, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, other software, backup and archiving systems, communications systems, payment acceptance systems (including credit and debit card systems, check verification services, and other payment systems, as well as any compliance programs relating to those systems), and Internet access, as well as upgrades, supplements, and modifications thereto).

"Summary Page" is defined in the first paragraph of this Agreement.

"Technology Fee" is defined in **Section 4.4.**

"**Territory**" is defined on the Summary Page.

"**Transfer**" means for Franchisee (or any Owner of Franchisee) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Business solely in the Territory. Franchisee shall develop, open and operate the Business in the Territory for the entire term of this Agreement. The parties acknowledge that Franchisee must operate the Business according to System Standards, however, the means of satisfying the System Standards are left to the control and discretion of Franchisee.

2.2 Protected Territory.

(a) Limitation. Franchisee shall not solicit or market to potential clients for Services outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory, and which incidentally reach potential clients outside of the Territory.

(b) Service. Franchisee shall not provide Services for clients outside of the Territory without Franchisor's prior written permission. Franchisor may withdraw permission at any time. If Franchisee provides Services for a client outside of the Territory without Franchisor's prior written consent, Franchisor may impose a fee equal to the greater of (i) $500, or (ii) 75% of the amount paid by such client to Franchisee. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to Franchisor's other rights and remedies.

(c) Territorial Protections. Except as provided below, Franchisor and its affiliates shall not (i) provide Services under the Marks for clients in the Territory; or (ii) license or franchise another party to provide Services under the Marks for clients in the Territory. Except as expressly provided in the preceding sentence, Franchisee is not granted any exclusive or protected territorial rights and Franchisor reserves all rights. Without limiting the generality of the foregoing, Franchisor and its affiliates reserve the right to:

(1) provide Services for clients (or authorize third parties to provide Services for clients) in your Territory if you are in default, or if you are incapable of meeting client demand in your Territory, as determined by Franchisor in its reasonable discretion;

(2) operate businesses that offer other types of products and services that may be similar to the Services under trademarks other than the Marks, or license or franchise to another party the right to engage in such businesses, in your Territory or otherwise;

(3) operate businesses that offer the Services under the Marks outside of the Territory and grant third parties the right or license to operate Services businesses under the Marks outside of the Territory;

(4) sell and distribute, and license others to sell and distribute, products and services (including the Services) bearing the Marks or other marks through other channels of distribution including, without limitation, the Internet, telemarketing, direct marketing or catalogs within and outside of the Territory;

(5) acquire, be acquired by, or merge with other competitive businesses and operate them anywhere and, at our option, convert them to businesses operating under the Marks or any other name; and

(6) establish, own or operate, and grant others the right to establish, own or operate a business offering the same or similar services as those offered through a Grasons Business, or different services under different trademarks (other than the Marks) inside and outside the Territory.

(d) Policies. Franchisor may set policies binding on all franchisees regarding soliciting, marketing, and serving clients in another franchisee's territory, and Franchisor may waive or modify such policies in any circumstance as Franchisor determines. If Franchisee obtains a client in the protected territory of another franchisee, then, in addition to all other rights and remedies Franchisor may have, Franchisor may in its discretion require Franchisee to transfer the client to such other franchisee or fashion such other remedy as Franchisor deems appropriate.

2.3 Franchisee Control. Franchisee represents that the Summary Page identifies each owner of Franchisee and describes the nature and percentage of each owner's interest in Franchisee. If any owner information on the Summary Page changes, Franchisee shall notify Franchisor within 10 days.

2.4 Operating Principal. Franchisee agrees that the person designated as the **"Operating Principal"** on the Summary Page is the executive primarily responsible for the Business, has decision-making authority on behalf of and authority to bind Franchisee. The Operating Principal must have at least 10% ownership interest in Franchisee. The Operating Principal must devote his or her full time and best efforts to the operation of the Business. If the Operating Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Operating Principal, subject to Franchisor's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 1.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to two additional periods of five years each, subject to the following conditions prior to each renewal:

(i) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) renovations and changes to the Business as Franchisor requires to conform to the then-current System Standards;

(iv) Franchisee executes Franchisor's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that the form of the franchise agreement will be amended to provide that Franchisee will not pay

another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee pays renewal fee of $10,000;

(vi) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees; and

(vii) Franchisee has met the Minimum Performance Criteria in **Section 7.20**.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable under any circumstances.

4.2 Royalty Fee. During the first six months of operations, Franchisee shall pay Franchisor a monthly royalty fee equal to 6.5% of Gross Sales, and thereafter, the greater of $500 per month or 6.5% of Gross Sales (the **"Royalty Fee"**). The Royalty Fee is due on or before the first day of the month following the month in which the Gross Sales accrued.

4.3 Brand Fund Contribution. Franchisee shall pay Franchisor a monthly contribution to the Brand Fund of 1% of Gross Sales during the first six months of operation, and thereafter, the greater of $250 per month or 1% of Gross Sales (the **"Brand Fund Contribution"**), payable at the same time as the Royalty Fee. Franchisor reserves the right to modify the frequency, manner, or method of payment upon providing reasonable notice to Franchisee (which need not exceed 30 days).

4.4 Technology Fee. Franchisee shall pay Franchisor a monthly technology fee, currently $175 (the **"Technology Fee"**), in exchange for software and other technology-related services and products provided by or through Franchisor, payable at the same time as the Royalty Fee. The Technology Fee does not have to be a pass-through of Franchisor's costs. Franchisor has no liability or obligation to Franchisee with respect any third-party software or other technology-related services and products that Franchisor provides to Franchisee. The Technology Fee for a given period is due and payable at the same time as the Royalty Fee, unless Franchisor determines otherwise. Franchisor may add, remove, or alter the software or technology products or services that it provides. Franchisor may increase the Technology Fee annually by 3% of the prior year's Technology Fee upon 30 days' prior written notice.

4.5 Third Party Vendors. If Franchisor requires Franchisee to use a designated third-party vendor, Franchisor has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Franchisor does so, it may impose a reasonable markup or charge for administering the payment program.

4.6 Non-Compliance Fee. Franchisor may charge Franchisee $250 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Franchisor) which Franchisee fails to cure after 30 days' notice. Thereafter, Franchisor may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing the non-compliance and is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Franchisor's other rights and remedies.

4.7 Reimbursement. Franchisor may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay such amount plus a 20% administrative charge to Franchisor within 15 days after invoice by Franchisor accompanied by reasonable documentation.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, Technology Fee, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Franchisor by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then Franchisor may withdraw estimated Royalty Fees equal to 125% of the last Gross Sales reported to Franchisor, and Brand Fund Contributions and Technology Fees as specified in **Sections 4.3** and **4.4** above. The parties will true-up the actual Royalty Fees due after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's computer software and hardware to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 10% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge $50 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection/Enforcement. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee and otherwise enforcing Franchisor's rights under this Agreement, even if such amounts are incurred prior to the filing of a lawsuit or other legal proceeding.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

(h) Taxes. Franchisee will be responsible for all sales taxes, use taxes, and other taxes imposed on the fees payable by Franchisee to Franchisor or its affiliates and on services or goods furnished to Franchisee by Franchisor or its affiliates, unless the tax is an income tax assessed on Franchisor or its affiliate for doing business in the state where the Business is located.

ARTICLE 5. ASSISTANCE

5.1 Manual. Franchisor shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. Franchisor shall provide its suggested staffing levels to Franchisee. Franchisor may provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Franchisor shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of Franchisee's new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. If Franchisee's Location is not listed on the Summary Page, Franchisee shall select a Location to serve as its primary place of business within the Territory prior to opening.

(b) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, Franchisor shall provide Franchisee with (i) applicable System Standards and other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) Franchisor's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Franchisor shall review and advise on Franchisee's pre-opening business plan and financial projections. Franchisee acknowledges that Franchisor accepts no responsibility for the performance of the Business.

(d) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Operating Principal and up to one other employee, at Franchisor's headquarters and/or at a Grasons business designated by Franchisor. Franchisor shall not charge any fee for this training for up to two attendees. Franchisee may send one additional person to training for a fee of $1,500. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. The Operating Principal must successfully complete pre-opening training within 90 days after the Effective Date.

(e) Market Introduction Plan. Franchisor shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

(f) On-Site Opening Assistance. If requested by Franchisee, Franchisor shall have a representative support Franchisee's business opening with at least two days of onsite opening training and assistance.

(g) Initial Equipment Package. Franchisor will provide Franchisee with an initial equipment package at no charge.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Franchisor will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor shall manage the Brand Fund.

(e) Internet. Franchisor shall maintain a website for the Grasons brand, which will include Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location within the Territory. Franchisee's Location is subject to Franchisor's reasonable approval.

6.2 Development. If the Location will not be operated from a home office, franchise may secure a commercial office space located in the Territory. Because Franchisor expects Franchisee to operate the Business as a home-based business, Franchisor will not assist Franchisee in (i) locating a site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

6.3 New Franchisee Training. Franchisee's Operating Principal must complete Franchisor's training program for new franchisees. If the Operating Principal fails to complete the initial training program to Franchisor's satisfaction within 90 days after the Effective Date, then Franchisor may terminate this Agreement.

6.4 Conditions To Opening. Franchisee shall notify Franchisor at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions and present satisfactory evidence to Franchisor that it has done so upon Franchisor's request: (1) Franchisee has obtained all required governmental permits and authorizations, (2) Franchisee has hired sufficient employees, (3) Franchisee's officers and employees have completed Franchisor's required pre-opening training, (4) Franchisee has obtained all required insurance required under **Section 7.12**; (5) Franchisee has conducted the market introduction campaign required under **Section 9.4**, (6) Franchisee has obtained a valid business mailing address (i.e., not a residential address) for the Business, (7) Franchisee has opened a business checking account to be used solely for the Business, (8) Franchisee has provided a copy of its duly filed articles or certification of formation or incorporation, as the case may be, to Franchisor, (9) Franchisee has obtained all required technology and software licenses, (10) Franchisee is otherwise in compliance with this Agreement and System Standards, and (11) Franchisor has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page. If nothing is stated on the Summary Page, the required opening date is within 90 days after the Effective Date.

ARTICLE 7. OPERATIONS

7.1 Compliance With Manual and System Standards. Franchisee shall at all times and at its own expense comply with all other mandatory obligations contained in the Manual, as they are now or hereafter established. Franchisee acknowledges and agrees that the products and services offered under the Marks have a reputation for excellence and that Franchisee's strict compliance with all System Standards it critical to the goodwill associated with the Marks.

7.2 Compliance With Law. Franchisee and the Business shall comply with all laws, rules, ordinances and regulations applicable to Franchisee or to the Business. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing.

7.4 Prices. Franchisee retains the sole discretion to determine the prices it charges for products and services.

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all clients and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor.

7.6 Post-Opening Training. Franchisor may at any time require that the Operating Principal and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Operating Principal or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Client Complaints. Franchisee shall use its best efforts to promptly resolve any client complaints. Franchisor may take any action it deems appropriate to resolve a client complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses immediately upon demand.

7.8 Client Evaluation and System Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining client evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a client feedback system, client survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

7.9 Payment Systems. Franchisee shall accept payment from clients in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.10 Vehicles. If Franchisee purchases or leases one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall

ensure that the vehicles present a first-class image appropriate to Franchisor's System. Franchisee shall use the vehicle solely for the Business.

7.11 Meetings, Annual Conference. The Operating Principal shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any local affiliate, national or regional brand conventions. If Franchisor holds an annual franchisee conference, the Operating Principal must attend. Franchisor must pay a reasonable per person registration fee (currently $495) which is non-refundable and due and payable regardless of whether Franchisee or the Operating Principal attend.

7.12 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual, which may be increased by Franchisor at any time. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage for primary vehicle along with any trailers and box trucks used in the Business in an amount of not less than $1,000,000; and

(iii) Workers ' Compensation coverage as required by state law.

(b) Franchisee's policies must list Franchisor and its affiliates as an additional insured and the policies must stipulate that Franchisor shall receive a 30-day prior written notice of cancellation. Franchisee shall provide Certificates of Insurance evidencing the required coverage to Franchisor prior to opening and upon annual renewal of the insurance coverage, as well as at any time within 15 days after request from Franchisor.

(c) Franchisee must obtain a bond of at least $25,000 from a bonding agency acceptable to Franchisor.

(d) If Franchisee fails to maintain any required insurance coverage, Franchisor has the right to obtain the coverage on Franchisee's behalf (which right shall be at Franchisor's option and in addition to Franchisor's other rights and remedies in this Agreement), and Franchisee must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to Franchisor, within 10 days after invoicing, all costs and premiums that Franchisor incurs. You are free to purchase any additional insurance that you deem appropriate.

7.13 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Grasons Services, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval.

7.14 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval.

7.15 No Other Businesses. If Franchisee is an entity, Franchisee shall not own or operate any other business except Grasons businesses.

7.16 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.17 No Co-Branding. Franchisee shall not "co-brand" or associate any other business activity with the Business in a manner which is likely to cause the public to perceive it to be related to the Business.

7.18 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a client (other than engaging individuals as independent contractors in the ordinary course of business).

7.19 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

7.20 Minimum Performance Criteria. Franchisee must meet or exceed the following minimum performance criteria (the **"Minimum Performance Criteria"**) during each 12-month period during the term of this Agreement (each such 12-month period is referred to herein as a **"Performance Year"**):

(a) During the first Performance Year, Franchisee must have had at least 12 estate or business liquidation sales;

(b) During the second Performance Year, Franchisee must have had at least 24 estate or business liquidation sales; and

(c) During the third Performance Year and for each remaining Performance Year during the initial term, Franchisee must have had at least 36 estate or business liquidation sales.

7.21 Privacy Practices.

(a) With respect to Privacy Information, Franchisee must comply with applicable privacy laws, including any local, state, or federal data privacy or data security law or regulation.

(b) Franchisee shall not sell any Privacy Information. Franchisee further agrees to not access, use, or process the Privacy Information except in the furtherance of its obligations under this Agreement, but in all times, in compliance with applicable privacy laws and industry standards.

(c) To the extent Franchisor does not have the then-current ability to address requests made under any applicable privacy law by individuals that are the subject of any of the Privacy Information, Franchisee shall, upon Franchisor's request, provide reasonable assistance to Franchisor in responding to such requests.

7.22 Communications. Franchisee shall respond promptly to requests for communication from Franchisor and, in any event, within three business days.

7.23 Business Practices. Franchisee, in all interactions with clients, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values issued by Franchisor. Franchisee shall not take any action which injures or is likely to injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Products and Services required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Products and Services from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular Product or Service only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Product or Service from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notification of the approval or disapproval of any propose new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Product or Service Approval. If Franchisor requires Franchisee to purchase a particular Product or Service, and Franchisee desires to purchase an alternate to the Product or Service, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Product or Service within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Franchisor may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates or payments from vendors in connection with purchases by franchisees. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

ARTICLE 9. MARKETING

9.1 Implementation. Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Franchisor. To obtain Franchisor's approval, Franchisee must submit any proposed advertising or marketing material at least 14 days prior to use. If Franchisor does not respond, the material is deemed rejected. Franchisee shall implement any marketing plans or campaigns determined by Franchisor. Any marketing materials or campaigns developed by or on behalf of Franchisee shall automatically become the property of Franchisor, without compensation to Franchisee.

9.2 Brand Fund. Franchisor has established Brand Fund to promote the System on a local, regional, national, and/or international level. Franchisee shall pay Franchisor a monthly contribution to the Brand Fund of 1% of Gross Sales during the first six months of operation, and thereafter, the greater of $250 per month or 1% of Gross Sales (the "Brand Fund Contribution"), payable at the same time as the Royalty Fee.

(a) Separate Account. Franchisor shall hold the Brand Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts. The Brand Fund is not a trust and Franchisor has no fiduciary obligations to Franchisee with respect to its administration of the Brand Fund.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level for Grasons

Services, and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; Internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal, collections, and other expenses related to the Brand Fund).

(c) Discretion. The Brand Fund will be spent at Franchisor's sole discretion and Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. The Brand Fund will not be used for the direct solicitation of franchise sales, but Franchisor reserves the right to include a notation in any advertisement indicating "Franchises Available." Franchisor has the right to reimburse itself from the Brand Fund for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund. In Franchisor's sole discretion, businesses owned and operated by Franchisor, or its affiliates may, but are not obligated to, contribute to the Brand Fund. Franchisee acknowledges that the use of the Brand Fund or other advertising funds or accounts and the expenditures made thereby, may benefit Franchisor and its businesses, even though the businesses operated by Franchisor, or its affiliates may or may not contribute to the Brand Fund or other advertising funds or accounts. Franchisor assumes no obligation or liability to Franchisee with respect to the maintenance, direction or administration of the Brand Fund or any other advertising funds or accounts maintained in connection with this Agreement, except as expressly set forth in this Section. Franchisor also has the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein. Franchisor may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

(d) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Brand Fund on reasonable terms.

(e) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.3 Regional Advertising and Promotional Cooperative. Franchisor may, in Franchisor's discretion, designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Business. If a Cooperative is established applicable to the Business, Franchisee must participate in the Cooperative. Cooperative contributions will be credited towards the Local Marketing Requirement discussed in Section 9.5 below. The following provisions will apply to each Cooperative:

9.3.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

9.3.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for use by the members in local marketing;

9.3.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials must be submitted to Franchisor in accordance with the procedure set forth in Section 9.1 hereof;

9.3.4 Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; however, the Cooperative may, by a two-thirds majority vote of its members, require a Cooperative contribution in excess of the Local Marketing Requirement;

9.3.5 Each member franchisee must submit to the Cooperative its respective contribution together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

9.3.6 Franchisor may grant to Franchisee, in its sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request from Franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final; and

9.3.7 Franchisor will have the power to require any Cooperative to be formed, changed, dissolved, or merged at any time.

9.4 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the marketing plan at least 30 days before the projected opening date of the Business.

9.5 Local Marketing. Franchisee must spend a minimum of $750 each month the Business is open and operating on advertising and marketing the Business, including Internet advertising, within the Territory (the "Local Marketing Requirement"). Franchisor will provide written notice of any changes to the Local Marketing Requirement, and any such changes will go into effect the following calendar month. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of Franchisee's monthly expenditures on local advertising and marketing. Franchisee may not advertise and promote the Business outside of the Territory, unless (a) the geographic area wherein you wish to advertise is contiguous to the Territory and that area has not been granted to any other franchisee, or (b) Franchisor otherwise provide prior written consent in writing.

9.6 Digital Marketing. Franchisor has the exclusive right to conduct and manage all marketing and commerce on the Internet or other electronic medium, including all websites and "social media" marketing (collectively, **"Digital Marketing"**). Franchisee shall not conduct such Digital Marketing, nor establish any website or social media presence independently, except as Franchisor may specify, and only with Franchisor's consent. Franchisee must immediately modify or delete any Digital Marketing that Franchisor determines, in its sole discretion, is not compliant with its policies, standards, guidelines, or requirements. Franchisor may withdraw approval for any Digital Marketing at any time. Franchisee must establish all Digital Marketing accounts that Franchisor specifies in the Manuals. Any and all Digital Marketing accounts that Franchisee establishes in relation to the Business shall be Franchisor's exclusive property. Franchisee must do all things necessary to provide Franchisor with access to such Digital Marketing accounts (as specified in the Manuals or otherwise) and permit Franchisor to post and delete information on Franchisee's Digital Marketing accounts. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes Franchisor to access such communications.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such client data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

(i) a quarterly profit and loss statement and balance sheet for the Business within 30 days after the end of each fiscal quarter of Franchisor's fiscal year;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of each calendar year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document, within 30 days after request.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any client, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business, but in no event later than 48 hours after Franchisee has become aware of the Action. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request. Franchisor acknowledges that all personnel records of the Business belong to Franchisee and that this Agreement does not grant Franchisor the right to access personnel records of Franchisee's employees.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other reasonable information as Franchisor may request.

10.4 Business Records. Franchisee shall keep accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years ("**Business Records**"). Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated the Royalty Fee.

10.6 Point-of-sale System. Franchisee must enter each item sold on behalf of a client in its point-of-sale system and otherwise strictly adhere to Franchisor's instructions and policies regarding use of the point-of-sale system. Franchisee shall give Franchisor unlimited access to Franchisee's point-of-sale system and other software systems related to the operation of the Business, by any means designated by Franchisor.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under **Section 18.9**). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Franchisor's Right To Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.3 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.4 Innovations. Franchisee shall disclose to Franchisor all software, marketing and promotional materials, ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, **"Innovations"**) conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

11.5 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or a third party.

11.6 System Variations. Franchisor may vary or waive any System Standard for any one or more franchisees due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.7 Business Data. All client data collected by or generated by the Business and all data collected or generated by the primary software operating system of the Business is Confidential Information (other than data related to employees of the Business) and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.8 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes Franchisor to access such communications.

11.9 Franchisor's Discretion. Franchisor may engage in any activity not expressly prohibited by this Agreement. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute, and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement. Whenever Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will have satisfied its obligations whenever it exercises reasonable business judgment in making a decision or exercising its rights. Franchisor's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System or the Grasons brand generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System or the Grasons brand include enhancing the value of the Marks, improving client service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System and Grasons businesses.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement By Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interest in any such litigation, any United States Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain Franchisor's interest in the Marks and Confidential Information.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor and Franchisee acknowledges that all client data collected or generated by the Business and all data collected or generate by the primary software system (other than data regarding employees) is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the **"Restricted Parties"**) shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly (i) own, maintain, engage in, be employed as an officer, director, principal, or of, lend money to, extend credit to or have any interest in any Competitor (a) within a twenty-five (25) mile radius of the Territory, (b) within the Territory of any other Grasons business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons business, or (c) within a twenty-five (25) mile radius of any Grasons business operated by Franchisor or its affiliate, provided that this Section13.2(b) does not apply to: (1) such person's ownership of a Grasons Business under a Franchise Agreement with Franchisor; or (2) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitor; or (ii) solicit any current, former, or prospective customer of the Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System or other franchisees for any competitive purpose.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager, independent contractors, officers and other key employees to sign Franchisor's then current Brand Protection Agreement in the form attached hereto as Exhibit C.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due under this Franchise Agreement or otherwise, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) and fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee intentionally submits any false report or intentionally provides any other false information to Franchisor;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee or any Owner, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) if Franchisee or the Operating Principal fails to satisfactorily complete the initial training program in the manner required by **Section 6.3** or Franchisee fails to open for business by the date specified in **Section 6.6**;

(v) Franchisee or any Owner commits a material violation of **Section 7.2** (compliance with laws) or **Section 13.1** (confidentiality), violates **Section 13.2** (non-compete) or **Article 15** (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee abandons or ceases operation of the Business for more than 5 consecutive days;

(vii) Franchisee fails to meet the Minimum Performance Criteria in any Performance Year;

(viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with **Section 10.5.**

(x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xi) Franchisor (or any affiliate) terminates or accelerates indebtedness under any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or

(xii) Franchisee or any Owner is charged with, pleads guilty to, or is convicted of a felony or engages in conduct that is reasonably likely to materially and unfavorably affect Franchisor's brand.

14.2 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items (to the extent in the possession or control of Franchisee) and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing;

(iv) immediately and permanently cease to operate the Business or use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System and the Marks;

(v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks; and

(vi) provide us with a copy of all of your Business Records and a list of all of your current, former and prospective clients.

14.3 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Grasons business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the

Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.4 Other Claims. Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether arising before or after termination.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor with at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to $15,000;

(ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the form will be amended to provide that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with **Section 2.5**;

(vi) Franchisee has paid all monetary obligations to Franchisor in full, and Franchisee is not otherwise in default or breach of this Agreement;

(vi) the proposed assignee and its owners and employees undergo such training as Franchisor may require;

(viii) Franchisee and its Owners execute a general release of Franchisor in a form satisfactory to Franchisor; and

(ix) the Business fully complies with all of Franchisor's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by **Section**

2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with **Section 2.5.**

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor within nine months after death or incapacity. Such transfer must comply with **Section 15.2.**

15.5 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.6 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

15.7 Franchisor's Right of First Refusal. If Franchisee or an any Owner desire to engage in a Transfer, including a Transfer pursuant to Section 15.4, Franchisee or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to Franchisor. Franchisor will have 30 days after receipt of the offer to decide whether Franchisor will purchase the interest in the Business or the ownership interest in Franchisee for the same price and upon the same terms contained in the offer (however, Franchisor may substitute cash for any form of payment proposed in the offer). If Franchisor notifies Franchisee that it intends to purchase the interest within the 30-day period, Franchisee or the Owner, as applicable, must sell the interest to Franchisor. Franchisor will have at least an additional 30 days to prepare for closing. Franchisor will be entitled to receive from Franchisee or the Owner, as applicable, all customary representations and warranties given by Franchisee as the seller of the assets or the Owner as the seller of the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 15.2 (including Franchisor's approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Section. Franchisor's right of first refusal in this Section shall not apply to any Transfer for Convenience of Ownership under Section 15.3.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, **"Indemnitees"**) against all Losses in any Action by or against Franchisor and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions which Franchisee proves arose solely as a result of any Indemnitee's intentional misconduct or gross negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption by Franchisor. Franchisor may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and provide Franchisor with thirty (30) days' notice and opportunity to cure. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

.**17.2 Mediation.** Once the internal dispute provisions of Section 17.1 have been exhausted, at Franchisor's option, any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a "Dispute") to mediation under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. The mediation will take place in the county in which Franchisor maintains its principal place of business at the time the Dispute arises (currently, Orange County, California) and the parties irrevocably waive any objection to such venue. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee whether Franchisor or its affiliates elect to exercise its option to submit claims or disputes to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of Franchisor's written declaration. Franchisor's right to mediate, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor will share mediation costs equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation.

The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 17.2 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (1) Any federally protected intellectual property rights in the Marks, the System or in any Confidential Information; (2) Any of the restrictive covenants contained in this Agreement; or (3) Any claims to collect past due amounts owed to Franchisor or its affiliates.

17.3 Arbitration.

(a) Arbitration. If the Dispute is not resolved by mediation, the parties shall submit the dispute to mandatory and binding arbitration administered by the American Arbitration Association (the **"AAA"**) in accordance with its Commercial Arbitration Rules. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrator will not have authority to award exemplary or punitive damages. The place of arbitration shall be the AAA office located nearest to Franchisor's principal place of business on the date the arbitration action is filed and the parties irrevocably waive any objection to such venue.

(b) Limitations on Claims. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder. The parties agree that all proceedings will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee, Operating Principal, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other party or entity.

(b) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(d) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

(e) Damages. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs. The arbitrator will not have authority to award exemplary or punitive damages and Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary or other monetary damages not based on actual damages incurred against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

17.4 Waiver of Jury Trial; Waiver of Class Actions. FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Injunctive Relief. Nothing contained in this Agreement will prevent Franchisor from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interests, without bond, against conduct or threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If a court requires the filing of a

bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to Franchisor under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that Franchisee or Operating Principal may have against Franchisor, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

17.7 Legal Costs. If Franchisee is in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial or arbitration proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs, litigation and arbitration expenses Franchisor incurs. If Franchisee institutes any legal action or arbitration to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee and does not control Franchisee or its Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, the laws of the state of California (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. However, solely with respect to the non-competition covenants of **Section 13.2**, the parties agree that the laws of the state where Franchisee's Business is located shall apply. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which the Business is located, then the valid law or regulation of that state applicable to the Business shall supersede any provision of this Agreement that is less favorable to Franchisee.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 18281 Gothard St., Suite 203, Huntington Beach, CA 92648. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Joint and Several Liability. If two or more people sign this Agreement as **"Franchisee",** each will have joint and several liability.

18.11 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

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

18.13 Force Majeure. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, widespread infectious diseases, pandemics or epidemics, and/or other casualties; (d) the inability of Franchisor and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Franchise; and (e) legislative changes and/or governmental orders affecting the sale of the products from Franchises. The ability or inability of either party to obtain and/or remit funds shall be considered within control of such party.

18.14 Approvals. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

18.15 Importance of Timely Performance. Time is of the essence in this Agreement.

18.16 Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the Business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon Franchisee's business abilities and efforts. Franchisee

acknowledges that Franchisee has been given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that Franchisor has advised Franchisee to have this Agreement reviewed by an attorney.

18.17 No Personal Liability. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

Signatures appear on the following page.

Agreed to by:

FRANCHISOR:

B & P BURKE, LLC

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

FRANCHISEE:

[*if an individual:*]

_____
Name: _____
Date: _____

[*if an entity:*]

_____

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

Attachment 1 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this **"Guaranty"**) is executed by the undersigned person(s) (each, a **"Guarantor"**) in favor of B & P Burke, LLC, a California limited liability company (**"B & P Burke"**).

Background Statement: _____ (**"Franchisee"**) desires to enter into a Franchise Agreement with B & P Burke for the franchise of a Grasons business (the **"Franchise Agreement"**; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce B & P Burke to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to B & P Burke and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and Guarantor agrees to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and guarantees every other liability and obligation of Franchisee to B & P Burke, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and B & P Burke upon demand from B & P Burke. Guarantor waives (a) acceptance and notice of acceptance by B & P Burke of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that B & P Burke make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by B & P Burke for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by B & P Burke, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by B & P Burke or its affiliates (except for Confidential Information which B & P Burke licenses from another person or entity). Guarantor acknowledges that all client data collected or generated by the Business and all data collected or generated by the primary software system (other than data regarding

employees) is Confidential Information belonging to B & P Burke. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any business which offers Estate Sale Services or Business Liquidation Services (a "Competitor"), except for any businesses operated by you pursuant to a license from us or one of our affiliates.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), Guarantor shall not directly or indirectly (i) own, maintain, engage in, be employed as an officer, director, principal, or of, lend money to, extend credit to or have any interest in any Competitor (a) within the Territory, (b) within the Territory of any other Grasons business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons business, or (c) within a twenty-five (25) mile radius of any Grasons business operated by Franchisor or its affiliate, provided that this Section3(b) does not apply to: (1) Guarantor's ownership of a Grasons Business under a Franchise Agreement with Franchisor; or (2) Guarantor's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitor; or (ii) solicit any current, former, or prospective customer of the Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System or other franchisees for any competitive purpose

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of B & P Burke. If such covenants are held to be unenforceable or unreasonable, the other provisions of this Guaranty shall remain in effect. Guarantor agrees that the existence of any claim it or Franchisee may have against B & P Burke shall not constitute a defense to the enforcement by B & P Burke of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which B & P Burke may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of California. Solely with respect to the non-competition covenants of Section 3, the parties agree that the laws of the state where Guarantor is located shall apply, and not California law. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

EXHIBIT C

BRAND PROTECTION AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of B&P Burke, LLC, a California limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. **Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Liquidation Services" means the sale and disposal of business assets of commercial enterprises due to business closures or moves, branch closures or moves, or another change in circumstances.

"Grasons Business" means a Grasons business, whether operated by us, our affiliate or a franchisee (including Franchisee).

"Business Records" means any and all evidence of each business transaction, and all financial, marketing, and other operating aspects of the Franchised Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Franchised Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, email addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee relating to the operation of the Franchised Business.

"Competitive Business" means any business competitive with a Grasons Business which offers Estate Sale Services or Business Liquidation Services (except for any businesses operated by Franchisee pursuant to a license from Franchisor or one of Franchisor's affiliates).

"Copyrights" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow Grasons Businesses to use, sell or display in connection with the marketing and/or operation of an Grasons Business, whether now in existence or created in the future.

"*Estate Sale Services*" means the sale of personal property for individuals, trustees and personal representatives due to long-distance moves, divorce, death, bankruptcy, or another change in circumstances.

"Franchise Agreement" means the Grasons Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

"Franchised Business" means the Grasons Business operated by Franchisee pursuant to the Franchise Agreement.

"Franchisee" means the Grasons franchisee for whom you are an officer, director, employee or independent contractor.

"Improvements" means any additions, modifications or improvements (including creative ideas) to (a) the goods or services offered at a Grasons Business, (b) the method of operation of a Grasons Business or (c) any marketing or promotional ideas relating to a Grasons Business, whether developed by you, Franchisee or any other person.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a Grasons Business, including, but not limited to, methods, techniques,

assessments, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"Manual" means our confidential brand standards manual for the operation of a Grasons Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Grasons Business, including "Grasons" and the related logo, and any other trademarks, service marks or trade names that we designate for use by a Grasons Business.

"Prohibited Activities" means any or all of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (b) soliciting any current, former, or prospective customer of the Franchised Business or any other customer of whom Franchisee has become aware as a result of access to the System or other franchisees for any competitive purpose.

"Restricted Period" means the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

"Restricted Territory" means the geographic area within the Territory granted to Franchisee under the Franchise Agreement, as further described on Attachment A to this Agreement.

"System" means our distinct system for the operation of a Grasons Business, the distinctive characteristics of which include logo, trade secrets, client assessment tools and techniques, marketing strategies, lead generation programs, referral programs, and operating system.

2. **Background.** You are an officer, director, manager, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property**. You agree: (a) you will not use the Know-how in any business or capacity other than the Franchised Business operated by Franchisee; (b) you will maintain the confidentiality of the Know-how at all times; (c) you will not make unauthorized copies of documents containing any Know-how; (d) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you will stop using the Know-how immediately if you are no longer an officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. **Unfair Competition During Relationship**. You agree not to unfairly compete with us at any time while you are an officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

5. **Unfair Competition After Relationship**. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within the Restricted Territory, or within the Territory of any other Grasons Business, or within a twenty-five (25) mile radius of the Territory of any other franchised Grasons Business, or (c) within a twenty-five (25) mile radius of any Grasons Business operated by Franchisor or its affiliate. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during

which you were engaging in the prohibited activity.

6. **Ownership of Phone Number.** You must obtain a separate telephone number solely for use with the Franchised Business. You acknowledge and agree that we will own this phone number and the associated account but allow you to use it during the terms of the Franchise Agreement at your expense. You must immediately transfer the number to us upon the termination, expiration or transfer of the Franchise Agreement and you agree to sign any documents we require to enable us to independent assign the telephone number to us in compliance with this Section.

7. **Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (a) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (b) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

8. **Covenants Reasonable**. You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

9. **Breach**. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Grasons Businesses for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

10. **Miscellaneous**.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) This Agreement will be governed by, construed and enforced under the laws of the state of California (without giving effect to its principles of conflicts of law). However, solely with respect to the Unfair Competition covenants of Section 5, the parties agree that the laws of the state where Franchised Business is located shall apply. You agree that any legal proceeding will be brought in the state or federal courts where our headquarters is then located.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of

any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By: _____

Name: _____

Date: _____

EXHIBIT C

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of B & P Burke, LLC, a California limited liability company ("B & P Burke").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases B & P Burke, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that B & P Burke reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

[*Signatures on next page*.]

Agreed to by:

_____

Name: _____

Date: _____

EXHIBIT D FINANCIAL STATEMENTS

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

B & P Burke, Inc.
Balance Sheet
For the Period Ending November 30, 2022
(UNAUDITED)

		November 30, 2022
Assets		
Current Assets		
Cash	$	67,475
Accounts Receivable		29,263
Receivable from Affiliate		2,539,627
Deferred Contract Costs		15,967
Other Ciurrent Assets		19,533
Total Current Assets		2,671,865
Other Assets		
Goodwill (net)		3,414,770
Security Deposit		1,450
Total Other Assets		3,416,220
Total Assets	$	6,088,086
Liabilities and Members Equity		
Current Liabilities		
Accounts Payable	$	2,396
Accrued expenses		11,799
Total Current Liabilities		14,194
Total Liabilities		14,194
Members Equity		
Member's Contribution		6,500,000
Retained Earnings		(1,513)
Net Loss		(424,596)
Total Member's Equity		6,073,891
Total Liabilities and Members Equity	$	6,088,086

B & P Burke, Inc.
Profit and Loss Statement
For the YTD Period Ending November 30, 2022
(UNAUDITED)

		YTD November 30, 2022
Revenue		
	Franchsise Fees	$ 103,000
	Royalties	489,353
	Other Income	54,404
	Total Revenue	$ 646,757
Expenses		
	Computer and Internet	$ 23,604
	Advertising and promotion	133,364
	Payroll & Benefits	220,316
	Rent Expense	17,483
	Insurance	21,954
	Professional Expense	80,169
	General and Administrative	85,257
	Amortization & Depreciation Expense	19,587
	Total Expenses	$ 601,734
Income From Operations		$ 45,023
Other Expenses		
	Closing Costs	$ 469,619
	Total Other Expenses	$ 469,619
	Net Loss	$ (424,596)

B & P Burke, Inc.
Statement of Cash Flows
For the YTD Period of January - November, 2022
(Unaudited)

	YTD November 30, 2022 Total
OPERATING ACTIVITIES	
Net Loss	$ (424,596)
Plus: Depreciation and Amortization	19,587
Operating Cash (before changes in working Capital)	**(405,009)**
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	(8,873)
Receivable from Affiliate	(2,539,627)
Other Current assets	33,098
Accounts Payable	(155,720)
Accrued Expenses	11,800
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**$ (2,659,322)**
Net cash provided by operating activities	**$ (3,064,331)**
INVESTING ACTIVITIES	
Purchase of Acquisitions	(3,434,357)
Changes in Fixed Assets	41,906
Net cash provided by investing activities	**-$ 3,392,451**
FINANCING ACTIVITIES	
Capital In from Member	6,439,484
Net cash provided by financing activities	**$ 6,439,484**
Net cash increase for period	**-$ 17,298**
Cash at beginning of period	$ 84,773
Cash at end of period	**$ 67,475**

B & P Burke, Inc.
d/b/a
Grasons Co Estate Sale Services

Financial Statements
December 31, 2021

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

FINANCIAL STATEMENTS
For the year ended December 31, 2021

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RPF CPA

Accounting Services

141 Power Road #202, Pawtucket, RI 02860 Ph 401-473-9090 ferlandandcompanycpas@yahoo.com

Independent Auditors' Report

To the Stockholders
B & P Burke, Inc.;
d/b/a Grasons Co Estate Sale Services
Huntington Beach, CA

Report on the Audit of the Financial Statements

We have audited the financial statements of B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services, which comprise the balance sheet as of December 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services, as of December 31, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services' ability to continue as a going concern for December 31, 2021.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material

if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made my management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about B & P Burke, Inc.; d/b/a Grasons Co Estate Sale Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Pawtucket, RI
April 12, 2022

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

BALANCE SHEET

December 31, 2021

ASSETS

	2021
Current asset:	
Cash	$ 34,870
Accounts receivable - Trade (note 1)	20,390
Notes receivable (note 2)	45,770
Contribution receivable	50,000
Prepaid commission, current	3,400
Total current assets	154,430
Property and equipment:	
Computer Equipment	11,002
Furniture and fixtures	82,652
Total property and equipment	93,654
Less: accumulated depreciation	(52,433)
Net property and equipment	41,221
Long-term assets:	
Deposits	1,450
Notes receivable (note 2)	17,227
Prepaid commission, net of current	9,167
Franchise territories for resale	50,000
Total long-term assets	77,844
Total assets:	$ 273,495

See accompanying notes to financial statements

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

BALANCE SHEET (continued)

December 31, 2021

LIABILITIES AND STOCKHOLDERS' EQUITY

	2021
Current Liabilities:	
Accounts payable	$ 3,642
Accrued expenses	19,219
Deferred revenues	1,608
Due to stockholder	1,902
Total current liabilities	26,371
Long term liabilities:	
Accrued interest, long term	4,504
SBA loan payable, net of current portion	147,900
Total long-term liabilities	152,404
Total liabilities:	178,775
Stockholders' equity	
Common stock	1,000
Retained earnings	93,720
Total stockholders' equity	94,720
Total liabilities and stockholders' equity	$ 273,495

See accompanying notes to financial statements

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

STATEMENT OF INCOME AND STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2021

	2021
Franchise fee revenues:	
Franchise fees	$ 85,000
Royalty fees	501,642
Other fees and reimbursements	1,747
Total revenue	588,389
Operating expenses:	
Professional services	8,608
Payroll and related expenses	229,077
Occupancy	17,848
Selling, general and administrative	270,773
Total operating expenses	526,306
Income from operations	62,083
Other income (expenses):	
PPP grant income	38,373
Interest expense	(5,974)
Depreciation and amortization	(14,460)
Total other income	17,939
Net income	80,022
Retained earnings, beginning	114,904
Distributions to stockholder, net	(101,206)
Retained earnings, ending	$ 93,720

See accompanying notes to financial statements

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021
Operating activities:	
Net income	$ 80,022
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	14,460
Non cash income	(14,435)
(Increase) decrease in:	
Accounts receivable	(6,944)
Notes receivable	60,822
Prepaid expenses	3,400
Increase (decrease) in:	
Accounts payable	1,142
Accrued expenses	19,486
Deferred revenues	1,608
Net cash provided by operating activities	159,561
Investing activities	
Purchase of property and equipment	(3,512)
Financing activities:	
Proceeds from stockholder	50,619
Distributions to stockholder	(201,923)
Net cash used by financing activities	(151,304)
Net increase in cash	4,745
Cash, beginning of year	30,125
Cash, end of year	$ 34,870
Supplemental information:	
Interest paid	$ 5,974

See accompanying notes to financial statements

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Summary of Significant Accounting Policies:

Nature of Business:

B & P Burke; d/b/a d/b/a Grasons Co Estate Sale Services (a California S-Corporation), was formed May 8, 2014, to engage in the business of selling franchises in the locations approved by the Company within the State of California. Under the terms of the franchise agreements, franchisees offer real estate services within the counties they are located. The franchisees conduct business under the trademark, "Grasons Co".

Basis of Presentation:

Under FTC Rule 436 (Franchise Rule) the financial statements are presented in comparative format covering two-year balance sheet and three-year statements of income, stockholders' equity and cash flows for the periods included. The Company will be including previous audits separately to meet this requirement until the third year is phased in over the next two fiscal years.

Revenue Recognition:

The Financial Accounting Standards Board issued ASU 2014-09 Revenue from Contracts with Customers (ASC 606), replacing almost all the previous revenue recognition guidance in US GAAP, with regards to contracts. The Company adopted the new standard on January 1, 2018, the first day of the company had the option. Therefore, there is no adjustment needed for the prior years to present the retrospective balances for unearned revenues.

- **The contract with the Customer:** The parties involved are B & P Burke, Inc. and the prospective franchisees, for their financial consideration, either cash and/or financing (ranging from $30,000 to $40,000), the franchisee will receive training, national advertising and use of the trademark.
- **Performance obligations:** Under the franchise agreement, B & P Burke, Inc. must certify the franchisee in the standards required by B & P Burke, Inc. and provide the franchisee with assistance in choosing a location, design and branding of the office and storage space and training in the various services offered by Grasons Co.
- **Determining the transaction price:** Included in the Franchise Disclosure Document is a plan package grid with predetermined prices that the prospective franchisee chooses from.
- **Allocating the purchase price:** The allocation of the purchase price per obligation:
  - Certification 100% - the Company has determined that all preopening obligations meet the requirements to be considered one performance obligation.
- **Recognize Revenue:** The company recognizes revenue, from the initial plan contract, in the month the franchisee opens its locations.

Year	Initial Franchise Plans Sold	Gross amount of IFPs	Amount included in Deferred	Renewals & transfer fees	% of Total Revenues
2021	2	$ 65,000	$ -	$ 20,000	14%

B & P BURKE, INC.
D/B/A GRASONS CO ESTATE SALE SERVICES

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Summary of Significant Accounting Policies: (continued)

Revenue Recognition: (continued)

The Company, as part of the franchise agreement, The Company collects royalties and marketing fees, based on the underlying franchise agreement, based on the monthly gross sales accumulated by the franchisee. These revenues are recognized in the month the franchisee earns the sales.

Year	Royalty Revenues	Marketing Revenues	Other Fees	% of Total Revenues
2021	$ 419,163	$ 82,479	$ 1,747	80%

Cash and Cash Equivalents:

For the purposes of the statement of cash flows, the company considers all temporary investments with an original maturity of three months or less to be cash equivalents. At December 31, 2021, there were no cash equivalents.

Use of Estimates:

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

Accounts Receivable - Trade:

The company carries its accounts receivable at cost net of an allowance for doubtful accounts, if deemed necessary. Periodically the Company evaluates its receivable and establishes an allowance based on historical experience with bad debts and collections as well as current credit conditions. The Company will consider a receivable to be a bad debt once it has been in collections for more than ninety days. At December 31, 2021, the company does not believe an allowance is necessary.

Property and Equipment:

Property and equipment is stated at cost. Depreciation is provided by using straight-line methods over the estimated useful lives of the related assets. Computers have a useful life of three years, equipment has a useful life of five years and a seven year life for office furniture.

Income Taxes:

This is a S-Corporation and is not a taxpaying entity for federal and state income tax purposes; thus, no income tax expense has been recorded in the accompanying financial statements. Income from the limited liability company is taxed at the member's level. The open tax years available for IRS review are 2018 through 2020.

B & P BURKE
D/B/A GRASONS CO ESTATE SALE SERVICES

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. Notes Receivable:

The company carries its notes receivable at cost net of an allowance for doubtful accounts. The Company does not hold any portion of its notes for sale. It recognizes interest revenue at a rate of 0% per annum. Beginning January 1, 2021, the company no longer self-finances initial franchise sales.

At December 31, 2021, five notes were outstanding with interest at 0% with monthly installments of $500 per month plus 40% of the net income from monthly sales until the loan is paid off. Notes receivable, initial sales, at December 31, 2021 was $62,997. At December 31, 2021, no franchisees were in the rears on their financing payments.

The above referenced notes have scheduled maturities as follows:

Year Ending December 31:

	Amount
2022	$ 45,770
2023	17,227
	62,997
Less Current	45,770
	$ 17,227

3. Concentration of Credit Risk:

The company keeps a majority of its cash with a financial institution that insures cash balances of up to $250,000 through the Federal Deposit Insurance Corporation (FDIC). At different times of the year, the balance may exceed this amount. At December 31, 2021, the company had no uninsured cash.

4. Advertising:

Advertising costs are expensed when incurred. Advertising expense for the year ended December 31, 2021 amounted to $138,480.

5. Territory held for resale:

The company has two territories repurchased from franchisees that are being held for resale. These locations include the following at December 31, 2021:

	Amount
Ventura Caounty California	$ 10,000
Collin County Texas	40,000
	50,000

6. Long-term Debt - SBA:

Note payable, SBA, in the original amount $147,900, with three hundred twenty-six monthly payments of $722, beginning July 2022, which includes interest at 3.75%, through June 2050 The loan is secured by all business assets.	2021	2020
	$ 147,900	$ 147,900

Future minimum payments at December 31:	
2022	$ -
2023	4,139
2024	4,296
2025	4,460
2026	4,807
Beyond five years	130,198
	147,900
Less: current	-
	$ 147,900

A total of $8,544 in interest expense was accrued through December 31, 2021

7. PPP Grant Income:

The company received notification on April 14, 2021, that the PPP Loan met the qualifications for consideration of grant income due to extinguishment of debt. The amount forgiven was $38,217, and the accrued interest to date was $156. The allocation of the expenses related to the grant income would have been applied to the following:

Payroll	$ 38,217
Accrued Interest	156
	$ 38,373

8. Subsequent Events:

The Company has analyzed its operations subsequent to December 31, 2021, the date of financial position, through April 12, 2022, the date these financial statements were available to be issued.

B & P Burke, Inc.

Audited Financial Statements

As of and for the Year Ended December 31, 2020

B & P Burke, Inc.

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ALDRIDGE&ASSOCS.

Independent Auditor's Report

To the Stockholder and Management of
B & P Burke, Inc.
Huntington Beach, CA

We have audited the accompanying financial statements of **B & P Burke, Inc.**, which comprise the balance sheet as of December 31, 2020 and the related statements of operations and changes in retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **B & P Burke, Inc.** as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with U.S. GAAP.

CERTIFIED PUBLIC ACCOUNTANTS
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Duluth, GA 30096
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Correction of Error
As described in Note 9 to the financial statements, beginning retained earnings, as previously reported, was decreased by $62,239 to correct for certain asset, liability and equity accounts that management determined were incorrectly reported at December 31, 2019. Our conclusion is not modified with respect to this matter.

Prior Year Financial Statements
The financial statements of **B & P Burke, Inc.** for the year ended December 31, 2019, before the restatement described in Note 9, were audited by another auditor whose report dated May 1, 2020, expressed an unmodified opinion on those statements.

As part of our audit of the December 31, 2020 financial statements, we also audited the adjustments described in Note 9 that were applied to restate the December 31, 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the December 31, 2019 financial statements of **B & P Burke, Inc.** other than with respect to the adjustments; accordingly, we do not express an opinion or any other form of assurance on the December 31, 2019 financial statements as a whole.

Adoption of New Accounting Pronouncements
As discussed in Note 2 to the financial statements, effective January 1, 2020, **B & P Burke, Inc.** adopted *Revenue from Contracts with Customers* (ASU 2014-09) (Topic 606), as amended and clarified, using the modified retrospective method, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient (ASU 2021-02)* and ASC Topic 340 – *Other Assets and Deferred Cost* (ASC 340). Our opinion is not modified with respect to this matter.

K. Glenn Aldridge

K. Glenn Aldridge, PC
(d/b/a Aldridge & Associates)
August 13, 2021

B & P Burke, Inc.

Balance Sheet
For the Year Ended December 31, 2020

Assets	
Current assets:	
Cash	$ 30,125
Accounts receivable	13,446
Current portion of notes receivable	30,000
Current portion of prepaid customer acquisition costs	3,400
Total current assets	76,971
Noncurrent assets:	
Noncurrent portion of prepaid customer acquisition costs	12,067
Noncurrent portion of notes receivable	73,954
Property and equipment, net	51,596
Other assets	11,450
Total noncurrent assets	149,067
Total assets	$ 226,038
Liabilities and Stockholder's Equity	
Current liabilities:	
Accounts payable and accrued liabilities	$ 3,942
Due to stockholder	3,000
Current portion of notes payable	11,745
Total current liabilites	18,687
Noncurrent liabilities:	
Notes payable, net of current portion	150,590
Total liabilites	169,277
Stockholder's equity:	
Common stock ($0.00 par value; 1,000 shares authorized, issued and outstanding)	-
Retained earnings	56,761
Total stockholder's equity	56,761
Total liabilities and stockholder's equity	$ 226,038

See accompanying notes to financial statements.

B & P Burke, Inc.

Statement of Operations and Changes in Retained Earnings
For the Year Ended December 31, 2020

Revenues:	
Franchise royalty fees	$ 190,459
Initial franchise and transfer fees	240,000
Marketing fees	71,576
Total revenues	502,035
Selling, general and administrative expenses	508,973
Loss from operations	(6,938)
Other income and (expense):	
Interest expense	(461)
Net loss	(7,399)
Retained earnings at December 31, 2019, as originally reported	26,310
Prior period adjustment	62,239
Retained earnings at December 31, 2019, as corrected	88,549
Shareholder distributions	(24,389)
Retained earnings at December 31, 2020	$ 56,761

See accompanying notes to financial statements.

B & P Burke, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flows from operating activities:		
Net loss	$	(7,399)
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation		13,113
Noncash issuance of notes receivable to franchisees		(85,000)
Changes in assets and liabilities:		
Accounts receivable		17,334
Prepaid customer acquisition costs		(15,467)
Accounts payable and accrued liabilities		1,342
Net cash used by operating activities		(76,077)
Cash flows from investing activities:		
Payments received on notes receivable		18,341
Stockholder distributions		(24,389)
Purchase of franchise		(10,000)
Purchase of property and equipment		(26,796)
Net cash used by investing activities		(42,844)
Cash flows from financing activities:		
Proceeds from notes payable		162,335
Due to stockholder		3,000
Repayments on notes payable		(17,399)
Net cash provided by financing activities		147,936
Net increase in cash		29,015
Cash, beginning of year		1,110
Cash, end of year	$	30,125
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$	461

See accompanying notes to financial statements.

1. Description of Business

B & P Burke, Inc. (the Company) was formed on May 8, 2014, under the General Corporation Law of California as a franchisor that grants franchise agreements to businesses (the franchisees) at locations approved by the Company. Under the terms of the franchise agreements, franchisees offer real estate services within the counties they are located. These franchisees conduct business under the trademark, "Grasons Co."

The Company makes money by receiving a percentage of the sales that the franchisees make over the course of the year. In addition, the Company also instates the following fees per the franchisee's operating agreement: royalty fees, marketing fees, and technology fees.

A summary of franchisee activity for 2020 follows:

Franchisees at December 31, 2019	24
2020 additions	5
2020 terminations	-
Franchisees at December 31, 2020	29

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Estimates and Assumptions

The preparation of financial statements 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 financial statements and, the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions. Significant estimates underlying the accompanying financial statements include the application of guidance for revenue recognition.

Use of Estimates in Financial Statements

The financial statements include some amounts that are based on management's best estimates and judgments. The more significant estimates relate to costs incurred prior to opening of a franchisee, useful lives of property and equipment; allowance for doubtful accounts; and application of guidance for revenue recognition. These estimates may be

adjusted as more current information becomes available, and any adjustments could be significant.

Cash and Cash Equivalents

The Company may from time to time maintain bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Company believes it mitigates any risks by depositing cash with reputable financial institutions. The Company considers all highly liquid investments purchased with an original maturity of ninety days or less to be cash equivalents. As of December 31, 2020, there were no amounts of cash over the FDIC limits.

Accounts Receivable

Accounts receivable, which consist of amounts owed to the Company related to initial franchise fees, franchise royalty fees, marketing fund fees, software fees, and monthly contract payments, are recorded at the amounts billed less an estimated allowance for bad debt expense and charge backs. The Company has determined that no allowance for doubtful accounts or charge backs was required as of December 31, 2020.

Prepaid Customer Acquisition Costs

The Company has evaluated the need to capitalize certain incremental costs to obtain customer contracts, and certain costs to fulfill contracts pursuant to ASC 340 – *Other Assets and Deferred Cost* (Topic 340) and determined that it is necessary to capitalize amounts spent on franchise sales commission and broker fees, when applicable, as prepaid customer acquisition costs upon signing of the franchise agreement, and then amortize such costs over the life of the franchise agreements.

Property and Equipment

The Company's capitalization policy is to capitalize, at cost, property and equipment with a purchase price in excess of $1,000 and which has a useful life greater than one year.

Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Property items retired, or otherwise disposed of, are eliminated from the asset and accumulated depreciation accounts and gains or losses from disposals are included in the statement of operations and retained earnings and statement of cash flows.

Depreciation is provided over the estimated useful loves of the individual assets using the straight-line method. The following provides the estimated life of each fixed asset classification: furniture, fixture and equipment, furniture, 5-7 years; and software, 15 years.

Impairment

Long-lived assets are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of these assets and its eventual disposition are less than its carrying amount. Impairment, if any, is assessed by using internally developed discounted cash flows estimates, quoted market prices, when available, and independent appraisals to determine fair value. The determination of whether or not long-lived assets have become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the estimated future cash flows expected to result from the use of those assets. Changes in the Company's strategy, assumptions and / or market conditions could significantly impact these judgments and require adjustments to recorded amounts of long-lived assets. Management concluded that there was no impairment during 2020.

Revenue and Cost Recognition

Recently Adopted Accounting Pronouncements

Revenue from Contracts with Customers (ASU 2014-09) ("Topic 606") supersedes the existing revenue recognition guidance and provides a new framework for recognizing revenue. The core principle of the standard is that an entity should recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Additionally, the guidance requires improved disclosure to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue that is recognized. Guidance subsequent to ASU 2014-09 has been issued to clarify various provisions in the standard, including principal versus agent considerations, identifying performance obligations, licensing transactions, as well as various technical corrections and improvements. According to the superseding standards 2015-04 and 2020-05, that deferred the effective dates of the preceding, and because the Company is a private company, the standard became effective for the Company on January 1, 2020.

This standard may be adopted using either a retrospective or modified retrospective method. The Company adopted this standard by recognizing the cumulative effect as an adjustment to opening retained earnings at January 1, 2020, under the modified retrospective method for contracts not completed as of the day of adoption. Under the modified retrospective method, the Company was not required to restate comparative financial information prior to the adoption of these standards and, therefore, such information presented prior to January 1, 2020 continue to be reported under the Company's previous accounting policies.

There was no significant impact to the Company for adopting the revenue recognition standard.

Initial Franchise fees

Revenue from initial franchise fees, which includes the franchise fee and an access fee, is generated from a contract between the Company and a franchisee. The Company's initial performance obligation is to provide site selection assistance, design assistance, employee hiring and training, assistance with projections, access to the brand standards manual, assistance with a marketing plan, and assistance setting up a website and getting setup in the Company's system. Pursuant to ASU 2021-02 *Franchisors-Revenue from Contracts with Customers* (Subtopic 952-606) issued on January 28, 2021, the Company has determined that these pre-opening services are distinct from the franchise license and has elected to recognize pre-opening services as a single performance obligation. The Company's ongoing performance obligation is developing products and services, establishing pricing and administrative procedures, administer the marketing fund and manage advertising platforms, and general consulting. The transaction price is set by the franchise agreement. Prior to the adoption of Topic 606, initial franchise fees were recognized as revenue in the month the franchise owner opened for business. Management determined that it currently provides services equal in value to the franchise fee received, enabling the Company to recognize one hundred percent (100%) of the initial franchise fee in the month the franchise opens for business.

For a fee, each franchise has the option to renew its franchise at the conclusion of the franchise agreement for two additional 5 year terms.

The Company also considers transfer fees to be initial franchise fees. Transfer fees are fees paid to the Company from a new franchisee taking over an existing franchise location. The Company's initial performance obligation incurred by the transfer fee includes providing assistance with employee hiring and training, access to the brand standards manual, assistance with a marketing plan, and getting set up in the Company's system.

Franchise Royalty fees

The franchise agreement stipulates monthly royalty fees based on a percentage of the gross revenue of a franchisee and obligates the Company to ongoing services, such as developing products and services, establishing pricing and administrative procedures, and general consulting.

The Company recognizes franchise royalty fees by applying the percentage of sales method per each franchisee's gross sales. Franchisees pay varying amounts for this program depending on when the franchisee joined the Company.

Marketing fees

The franchise agreement stipulates monthly marketing fund contributions based on a percentage of the gross revenue of a franchisee and obligates the Company to ongoing marketing services, such as administering the marketing fund, managing advertising platforms, and assisting with maintaining the website. Franchisees pay either a flat $150 or 1.5% of gross sales for this program depending on when the franchisee joined the Company. The Company reports all marketing fees as monthly marketing fees.

The Company has waived the monthly marketing fund fee for all franchisees beginning on April 1, 2020, due to the COVID-19 pandemic, and plans to require payments from franchisees sometime during the 2021 calendar year; however, no date has yet been set.

Technology fees

The franchise agreement stipulates monthly software fee payments which grants the franchisee continued use to the Company's software program. This payment obligates the Company to continue to provide and maintain the program. Franchisees pay varying amounts for this program depending on when the franchisee joined the Company. The Company reports all technology fess as monthly royalty fees.

The Company has waived the monthly technology fee for all franchisees beginning on April 1, 2020, due to the COVID-19 pandemic, and plans to require payments from franchisees sometime during the 2021 calendar year; however, no date has yet been set.

Income Taxes

The Company has elected under the Internal Revenue Code to be taxed as an S corporation. As an S corporation, the Company is not a taxpaying entity for federal income tax purposes. Accordingly, the Company's taxable income or loss is allocated to its stockholder in accordance with their respective percentage ownership. Therefore, no provision or liability for income taxes has been included in the accompanying financial statements.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2017.

Advertising

The Company expenses advertising and marketing costs as incurred. Advertising and marketing expenses charged to operations and recorded in selling, general and administrative expenses totaled $83,013 in 2020.

3. PROPERTY AND EQUIPMENT

At December 31, 2020, property and equipment consisted of the following:

Furniture, fixtures and equipment	$	79,140
Software		11,002
		90,142
Less: accumulated depreciation		38,546
	$	51,596

Depreciation expense totaled $13,113 for the year ended December 31, 2020

4. PREPAID CUSTOMER ACQUISITION COSTS

A summary of prepaid customer acquisition costs for the year ended December 31, 2020 follows:

Balance at December 31, 2019	$	-
Sales commissions		17,000
Less: amortization		1,533
Balance at December 31, 2020		15,467
Less: current portion of prepaid customer acquisition costs		3,400
Noncurrent portion of prepaid customer acquisition costs	$	12,067

5. DEBT

Paycheck Protection Program Loan

On July 27, 2020, after determining its eligibility, the Company borrowed $14,609 under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. Loan proceeds must be used solely for specified purposes, which include payroll expenses, rent, interest payments, and utilities. To the extent the borrower meets certain requirements, all or some portion of the loan may be forgiven. The loan is uncollateralized and is fully guaranteed by the Federal government. No principal or interest payments have been paid on this loan and no interest, which is deemed insignificant, has been accrued as of December 31, 2020. The outstanding balance of this loan totaled $14,609 at December 31, 2020.

The Company has accounted for this loan as a financial liability and the loan, plus any accrued interest, will remain as a liability until either 1.) the loan is, in part or wholly, forgiven and the Company has been released or 2.) the Company pays off the loan.

SBA Section 7(b) Loan

On June 1, 2020, the Company borrowed $148,000 under the SBA Section 7(b) Program for working capital. The loan accrues interest at 3.75%. Monthly principal and interest payments of $722 are required beginning twelve months after the funding of the loan and the balance is due on June 1, 2050. The loan is collateralized by substantially all assets of the Company. No principal or interest payments have been paid on this loan and no interest, which is deemed insignificant, has been accrued as of December 31, 2020. The outstanding balance of this loan totaled $148,000 at December 31, 2020.

Other Notes Payable

During 2020, the Company repaid two additional notes payable with an outstanding balance at December 31, 2019 of $17,399.

A schedule of future maturities by reporting period follows:

Year ending December 31,	
2021	$ 11,745
2022	8,556
2023	3,885
2024	4,030
Thereafter	134,119
	$ 162,335

Interest expense totaled $461 for 2020.

6. LEASES

On January 24, 2019, the Company's lease agreement on its corporate office expired and was extended for an additional three years through January 2022. Rent expense under this operating lease totaled $16,740 for 2020.

At December 31, 2020, minimum annual lease payments under the facility lease agreement were as follows:

Year ending December 31,	
2021	$ 17,325
2022	1,450

7. REVENUE DISAGGREGATION

A summary of disaggregated revenue by type for the year ended December 31, 2020 follows:

• Initial franchise fees, earned at closing	$	240,000
• Royalty, marketing fund, and software fees, earned monthly		262,035
Total revenues	$	502,035
Timing of revenue recognition		
Recognized at a point in time	$	240,000
Transferred over time		262,035
Total revenues	$	502,035
Revenue by geography:		
• California		90.8%
• Texas		0.1%
• Arizona		7.9%
• Ohio		1.4%
Total revenues		100.2%

8. COMMITMENTS AND UNCERTAINTIES

According to the terms of signed agreements between the Company and its franchisees, the Company is obligated to support the franchisees as outlined in the franchise agreements.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have negatively impacted the operation results. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and related financial impact in years to come.

9. PRIOR PERIOD ADJUSTMENT

The Company determined that as of December 31, 2019, property and equipment was understated by $49,003 due to the use of tax depreciation instead of book depreciation; accounts receivable and notes receivable were together understated by $7,125 due to errors that had not been corrected; current assets were increased by $1,450 due to a security deposit that had not been recorded; accounts payable increased by $2,600 due to past due rent payments that were not recorded; notes payable increased by $28,489 due to loans that had not been recorded; and additional paid in capital was decreased by $50,000 due to “sweat equity” that had been improperly recorded as a stockholder contribution. Accordingly, beginning retained earnings at December 31, 2019 was increased by $62,239 to correct for these errors. The effect to prior year net income was

not determinable.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 13, 2021 which is the date on which the financial statements were available to be issued. In general, these events are recognized in the financial statements if the conditions existed at the date of the balance sheet, but are not recognized if the conditions did not exist at the balance sheet date. The Company discloses non-recognized events if required to keep the financial statements from being misleading. The following subsequent event was identified by the Company for disclosure:

Paycheck Protection Program Loan

On July 16, 2021, the Company's PPP loan totaling $14,609 was forgiven.

Financing Agreements

In August 2021, the Company decided to discontinue offering financing for initial franchise fees.

*****

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

B & P BURKE, INC.

DECEMBER 31, 2019, 2018 AND 2017

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

B & P Burke, Inc.

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Notes to Financial Statements..... 6 - 7

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

April 24, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
B & P Burke, Inc.:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of B & P Burke, Inc. (a corporation) as of December 31, 2019, 2018 and 2017 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of B & P Burke, Inc. (a corporation) as of December 31, 2019, 2018 and 2017 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

B & P Burke, Inc.

Balance Sheet
December 31, 2019, 2018 and 2017

ASSETS

	2019	2018	2017
CURRENT ASSETS			
Cash	$ 1,110	$ 6,726	$ 1,683
Receivables	75,200	108,300	70,268
TOTAL CURRENT ASSETS	76,310	115,026	71,951
FIXED ASSETS			
Equipment	56,941	56,941	32,066
Accumulated Depreciation	(56,941)	(56,930)	(32,033)
TOTAL FIXED ASSETS	-	11	33
TOTAL ASSETS	$ 76,310	$ 115,037	$ 71,984

LIABILITIES & STOCKHOLDERS EQUITY

CURRENT LIABILITIES			
Due to Affiliates	$ -	$ -	$ 21,984
TOTAL CURRENT LIABILITIES	-	-	21,984
TOTAL LIABILITIES	-	-	21,984
MEMBERS' EQUITY			
Common Stock			
1000 Shares authorized, issued and outstanding	50,000	50,000	50,000
Retained Earnings	26,310	65,037	-
TOTAL STOCKHOLDERS EQUITY	76,310	115,037	50,000
TOTAL LIABILITIES & EQUITY	$ 76,310	$ 115,037	$ 71,984

See accompanying notes

B & P Burke, Inc.

Statement of Operations
Years ending December 31, 2019, 2018 and 2017

	2019	2018	2017
Revenues			
Franchise revenue	$ 347,277	$ 474,828	$ 272,076
Total revenue	347,277	474,828	272,076
Expenses			
Advertising	59,105	68,681	53,816
Automobile expenses	7,188	21,875	12,592
Bank charges	3,415	3,645	3,723
Commissions	15,500	19,875	16,000
Computer	-	4,875	4,730
Dues and Subscriptions	-	3,685	5,143
Insurance	1,185	6,360	6,360
Office Expense	586	4,146	3,955
Payroll, taxes and benefits	73,720	67,967	74,796
Professional fees	7,195	4,575	6,000
Rent and occupancy expenses	15,600	15,432	15,432
Subcontractor	-	11,875	6,835
Supplies	1,215	5,124	4,780
Telephone	9,385	9,286	9,396
Travel, meals and entertainment	2,115	15,644	5,437
Utilities	2,785	2,845	1,485
Total expenses	198,994	265,890	230,480
Operating Income	148,283	208,938	41,596
Franchise taxes	(800)	(800)	(800)
Interest expense	(11,628)	(8,215)	-
Depreciation	(11)	(24,897)	(7,547)
Net Income	$ 135,844	$ 175,026	$ 33,249

See accompanying notes

B & P Burke, Inc.

Statement of Changes in Equity
Years ending December 31, 2019, 2018 and 2017

	Common Stock	Retained Earnings	Total Equity
Equity at January 1, 2017	$ 50,000	$ -	$ 50,000
2017 Distributions	-	(33,249)	(33,249)
Net Income		33,249	33,249
Equity at December 31, 2017	$ 50,000	$ -	$ 50,000
Equity at January 1, 2018	$ 50,000	$ -	$ 50,000
2018 Distributions	-	(109,989)	(109,989)
Net Income		175,026	175,026
Equity at December 31, 2018	$ 50,000	$ 65,037	$ 115,037
Equity at January 1, 2019	$ 50,000	$ 65,037	$ 115,037
2019 Distributions	-	(174,571)	(174,571)
Net Income		135,844	135,844
Equity at December 31, 2019	$ 50,000	$ 26,310	$ 76,310

See accompanying notes

B & P Burke, Inc.

Statement of Cash Flows
Years ending December 31, 2019, 2018 and 2017

	2019	2018	2017
Cash flows from operating activities:			
Net Income	$ 135,844	$ 175,026	$ 33,249
Adjust			
Depreciation & amortization	11	24,897	7,547
Changes in assets and liabilities			
Current assets	33,100	(38,032)	(7,704)
Current liabilities	-	(21,984)	8,437
Net cash provided by operating activities	168,955	139,907	41,529
Cash flows from investing activities:			
Purchase of Fixed Assets	-	(24,875)	(7,525)
Net cash provided by investing activities	-	(24,875)	(7,525)
Cash flows from financing activities:			
Stockholder distributions	(174,571)	(109,989)	(33,249)
Issuance of Common Stock			-
Net cash provided by investing activities	(174,571)	(109,989)	(33,249)
Net change in cash	(5,616)	5,043	755
Cash - beginning of yaer	6,726	1,683	928
Cash - end of year	$ 1,110	$ 6,726	$ 1,683
Supplemental Disclosures			
Interest Paid	11,628	8,215	-
Income Taxes Paid	800	800	800

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of California for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Grasons Co. franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when recorded by the franchisee.

COMPANY INCOME TAXES

The Company, with the consent of its stockholders, has elected to be an s-corporation. In lieu of corporation income taxes, the stockholder(s) of an s-corporation is taxed based on its proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2019, 2018 and 2017, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 4 SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 24, 2020, the date that the financial statements were available to be issued.

EXHIBIT E

OPERATING MANUAL TABLE OF CONTENTS

Manual Section	**Number of Pages**
Introduction	16
Establishing A Grasons business	84
Managing A Grasons business Location	41
Personnel	79
Daily Procedures	149
Advertising	35
Total Number of Pages	**404**

EXHIBIT F
CURRENT AND FORMER FRANCHISEES

Part A. Current Franchisees

Names of all current franchisees (as of December 15, 2022) and the address and telephone number of each of their outlets:

ARIZONA

1. **Grasons Estate Sale Services of Southern Arizona**
   9420 E. Golf Links Road
   Suite 108 #275
   Tucson, AZ 85730
   Telephone: 520-328-4386
   Owner: Joe & Marci Natale

CALIFORNIA

1. **Grasons Estate Sale Services Elite of North San Diego County**
   300 Carlsbad Village Drive
   Suite 108A-21
   San Diego, CA 92008
   Telephone: 949-838-7703
   Owners: Nicholas Wilder

2. **Grasons Estate Sale Services of South Orange County**
   24881 Alicia Pkwy
   Suite E111
   Laguna Hills, CA 92653
   Telephone: 949-690-2219
   Owner: Vincent Stirone

3. **Grasons Estate Sale Services of North Orange County**
   675 North Euclid Street
   Suite 284
   Anaheim, CA 92801
   Telephone: 949-838-7703
   Owners: Vincent Stirone

4. **Grasons Estate Sale Services in the LA Valley**
   13502 Whittier Blvd
   Suite H241
   Whittier, CA 90605
   Telephone: 626-861-5830
   Owner: Richard Garcia

5. **Grasons Estate Sale Services Beach Cities & Grasons Estate Sale Services of Newport Beach**

18281 Gothard St.
Unit #205
Huntington Beach, CA 92647
Telephone: 949-698-2428
Owner: GJB Brothers, LLC/Simone Kelly

1024 Bayside Drive
Suite 426
Newport Beach, CA 92660
Telephone: 949-698-2428
Owner: GJB Brothers, LLC/Simone Kelly

*These outlets are counted as a single outlet for Item 20 purposes, although they are operationally separate.

6. **Grasons Co of Stanislaus County**
2100 Standiford Ave #E12
Suite 205
Modesto, CA 95350
Telephone: 209-405-9944
Owner: Robert DeSomber

7. **Grasons Estate Sale Services City of Angels**

16350 Ventura Blvd.
Suite D #183
Encino, CA 91436
Telephone: 310-824-3360
Owner: Boni Wish

8. **Grasons Estate Sale Services Solano Marin Counties**
836 Southampton Rd
Unit #B322
Benicia, CA, 94510
Telephone: 707-771-4884
Owner: Deanna Reynolds

9. **Grasons Estate Sale Services South San Diego County**
1041 Market Street
Unit #179
San Diego, CA, 92101
Telephone: 760-587-6692

Owners: Nick Wilder & Marcus McMillan

10. **Grasons Estate Sale Services Elite North San Diego County**
    300 Carlsbad Village Drive
    Suite 108A-21
    Carlsbad, CA, 92008
    Telephone: 949-838-7703
    Owner: Nick Wilder

11. **Grasons Estate Sale Services of Ventura County**
    2390-C Las Posas Road
    Suite #205
    Camarillo, CA 93010
    Telephone: 424-346-4080
    Owners: Fernanda & Giuliana Salgado

12. **Grasons Estate Sale Services of Prestige Pasadena & Territories**
    530 S Lake Avenue
    Unit #776
    Pasadena California 91101
    Telephone: (818)634-6117
    Owner: Boni Wish/Niloufar Hersel

13. **Grasons Estate Sale Services of Premier High Desert – Thousand Oaks**
    38713 Tierra Subida Ave
    Unit #131
    Palmdale California 93551
    Owner: Shalana Nelson (310)819-0757

14. **Grasons Estate Sale Services of Long Beach Metro**
    2201 N Lakewood Blvd
    Suite D #695
    Long Beach California 90815
    Telephone: (949)690-2219
    Owner: Vincent Stirone

15. **Grasons Estate Sale Services Integrity Fountain Valley to Downey**
    18627 Brookhurst St
    Unit # 525
    Fountain Valley California 92708
    Telephone: (714)561-8299
    Owner: Melissa Arellano & Camille Awad

16. **Grasons Estate Sale Services Estate Specialists Inland Empire***

12523 Limonite Ave.
Unit #440-314
Jurupa Valley, CA 91752
Telephone: 909-208-5398
Owner: Anna Williams

17. **Grasons Estate Sale Services of South Bay Beachside**

2785 PCH Suite #E
Torrance, California 90505
Telephone: (310) 997-0966
Owner: Kelly Charlshe

18. **Grasons Estate Sale Services of Contra Costa County**

1839 Ygnacio Valley Road, #194
Walnut Creek California 94598
Telephone: 925-565-9056
Owner: Raquel Reyes

19. **Grasons Estate Sale Services of West Alameda**

1839 Ygnacio Valley Road, #194
Walnut Creek, California 94598
Telephone: 925-752-6167
Owners: Anthony & Jennifer Yeoman

20. **Grasons Estate Sale Services of Carson to Del Reys**

552 E. Carson Street
Carson, California 90745
Telephone: (310) 997-0212
Owner: Rhonda Walker

21. **Grasons Estate Sale Services Select Central Coast***
133 E. De la Guerra#34
Santa Barbara California 93101
Telephone: (805)722-5748
Owner: Anthony and Charlene Aguilar

22. **Grasons Estate Sale Services East Alameda County**
1807 Santa Rita Rd.
Unit H-160
Pleasanton, CA 94566
Telephone: 925-338-4480
Owners: Erick Gonzalez/Josephina Gutierez

23. **Grasons Estate Sale Services of San Joaquin County**
7554 Pacific Avenue
Stockton CA 95207
Telephone: 925-752-6167
Owners: Anthony & Jennifer Yeoman

24. **Grasons Estate Sale Services of South Riverside County**
26100 Newport Road A12
Suite #115
Menifee, CA 92584
Telephone: 951-202-4539
Owner: Ron Combado

25. **Grasons Estate Sale Services of North Sacramento and South Sacramento**
5716 Folsom Blvd.
Suite #208
Sacramento, CA 95819
Telephone: 209-424-2499 Owner: Robert DeSomber

26. **Grasons Estate Sale Services of Coachella Valley**
1440 Belmont Avenue,
Number A2-365,
Belmont, CA 92223
Telephone: 909-488-2443
Owner: Andrew and Eliesha Ruisi

27. **Grasons Estate Sale Services of Pomona Valley**
1501 Foothill Blvd.
Suite 103-413
La Verne, CA 91750
Telephone: (909) 244-2411
Owner: Craig Burke

ILLINOIS

1. **Grasons Estate Sale Services of NW Chicagoland**
847 S. Randall Road, #253,
Elgin, IL 60123
Telephone: 630-386-5299
Owner: Jeffrey Lundblad

INDIANA

1. **Grasons Estate Sale Services of Northern Indy**
8206 Rockville Road, #262
Indianapolis, IN 46214
Telephone: 901-337-6339
Owner: Wesley Joseph Hunter/Wesley Joseph Junter Jr.

OHIO

1. **Grasons Estate Sale Services of Summit County**
   4786 Dressler Rd NW #187
   Canton, OH, 44718
   Telephone: 330-322-7983
   Owner: Kelley Dario

TEXAS

2. **Grasons Estate Sale Services of East Texas**
   3009 S. Redditt Drive,
   Lufkin, TX 75904
   Telephone: 936-240-9449
   Owners: Richard and Daniella Kadlec

Part B. Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

TRANSFERRED

CALIFORNIA

Grasons Co of Pomona Valley
Previous Owner: Anna Williams
Telephone: (909) 208-5398
Transfer Date: 04/01/2021

Grasons Co of East Alameda County
Previous Owner: Anthony & Jennifer Yeoman
Telephone: (925) 752-6167
Transfer Date: 02/02/2021

Grasons Co of Santa Clara County
Previous Owner: Erick Gonzalez/Josephina Gutierez
Telephone: (925) 338-4480
Transfer Date: 02/02/2021

Grasons Co of Ventura County
Previous Owner: Rhonda Williams
Telephone: (562) 446-7632
Transfer Date: 07/07/2021

Grasons Estate Sale Services of South Riverside County
Previous Owner: Anna Williams
Telephone: (909) 208-5398
Transfer Date: 03/18/2021

RELOCATION
Grasons Estate Sale Services of South Sacramento
Telephone: 925-325-4129
Owner: Rick & Daniella Kadlec
Relocated Business to East Texas

EXHIBIT G

STATE ADDENDA TO DISCLOSURE DOCUMENT

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

For franchises and franchisees subject to the California Franchise Investment Law, Cal. Corp. Code § 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document ("FDD"):

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR 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.

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

Neither we nor any person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in that association or exchange.

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

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

Regarding our website, www.grasons.com, please note the following:

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

Item 6 of the FDD is amended to disclose that the highest interest rate allowed in California is 10%.

The earnings claims figures found in Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your WNW franchise. Franchisees or former franchisees, listed in the FDD, may be one source of this information.

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

For franchises and Franchisee/developers subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

Item 5 shall be supplemented to include the following disclosure:

> Payment of initial franchise fees will be deferred until Franchisor has met its initial obligations to Franchisee and Franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Item 17 shall be supplemented to include the following disclosure:

> The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.
>
> The Franchise Agreement provides that the law of a forum outside of Illinois applies. However, the foregoing choice of law clause should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the State of Illinois will govern.
>
> Any provision which designates jurisdiction or venue or requires Franchisee/developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except mediation may take place outside the State of Illinois.
>
> 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." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between B & P Burke, LLC, a California limited liability company ("B & P Burke") and_____, a ____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Fee Deferral. Payment of initial franchise fees will be deferred until Franchisor has met its initial obligations to Franchisee and Franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

6. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
	B&P BURKE, LLC
By:_____	By:_____
Name: _____	Name:_____
Title:_____	Title: _____
Date:_____	Date: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA

For franchises and franchisees/developer subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document ("FDD")

Item 8. Item 8 of the FDD is amended to include the following disclosure:

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1(4) prohibits provisions in a Franchise Agreement subject to the Law which allow the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any provision of the Franchise Agreement conflicts with Indiana Law, Indiana Law will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code§ 23-2-2.7-2(6) makes it unlawful for any franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer does business, on account of, or in relation to, the transaction between the franchisee/developer and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee/developer. To the extent that any of B&P BURKE, LLC's business practices conflicts with Indiana Law, Indiana Law will control.

Item 12. Item 12 of the FDD is amended to include the following disclosure:

Ind. Code § 23-2-2.7-1(2) prohibits any provision in the Agreement which allows B&P BURKE, LLC to establish a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. Ind. Code § 23-2-2.7-2(4) prohibits any franchisor who has entered into any Franchise Agreement with a franchisee/developer who is either a resident of Indiana or a nonresident operating a franchise in Indiana from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the Franchised Business within the Territory. To the extent that any provision of the Agreement or B&P BURKE, LLC's business practices conflict with Indiana law, Indiana law will control. This provision is not applicable where DMAs are granted.

Item 17. Item 17 of the FDD is amended to include the following disclosure:

To the extent you are required to execute a release in favor of B&P BURKE, LLC such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1.

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee/developer the opportunity to participate in the ownership of the franchise under a valid Franchise Agreement for a reasonable time after the death of the franchisee/developer, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise. To the extent that the Franchise Agreement requires a surviving spouse, heirs or an estate representative to assume liability under the Franchise Agreement and to complete training, the Franchise Agreement has been amended in accordance with Indiana Law to provide that all such conditions must be met within 6 months of the franchisee/developer's date of death.

Ind. Code §23-2-2.7-1(10) prohibits any provision in the Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

The choice of law provision contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, the Franchise Agreement shall be governed by the Indiana Franchise Disclosure Law IC § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law IC § 23-2-2.7, under Ind. Code §23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. 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 Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

The post term covenant not to compete is limited to your non-exclusive area under the Franchise Agreement pursuant to Ind. Code §23-2-2.7-1(9).

ADDENDUM TO B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD Ann. Code art. 56, Sections 345-365D, the parties to the attached B&P Burke, LLC Franchise Agreement agree as follows:

1. Sections 3.2(vi) and 15.2(viii) of the Franchise Agreement will be supplemented by the addition of the following language to the end of those respective Sections:

> ; pursuant to Maryland law, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

2. Section 17.3(b) and 17.5 of the Franchise Agreement are supplemented by the addition of the following:

> ; provided however, that any limitation on the period of time mediation, arbitration and/or litigation claims must be brought will not act to reduce the 3-year statute of limitations afforded a franchisee for bringing a claim arising under eth Maryland Franchise Registration and Disclosure Law.

3. The Franchise Agreement shall be supplemented by addition of the following:

> Any acknowledgements or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor will they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement in duplicate on the date first above written.

_____ _____

Franchisee Initials/Date Franchisor's Initials/Date

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

For franchises and franchisee/developers subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document:

Item 17.

The Franchise Agreement and Multi-Unit Agreement provide that B&P BURKE, LLC may terminate these Agreements, as applicable, if you voluntarily or involuntarily file for bankruptcy, as described in the "Summary of Cause Defined" (provision (h.)). This provision may not be enforceable under federal bankruptcy law.

Any general release signed as a condition to renewal, sale, assignment, or transfer of these Agreements shall not release Franchisor from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

ADDENDUM TO B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisee/developer with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee/developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the Franchise Agreement.

2. B&P BURKE, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

3. Sections 17.3 and 17.5 of the Franchise Agreement shall be supplemented by the following provision:

   Pursuant to Minn. Stat. Sec. 80C.21, this Paragraph shall not in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit B&P BURKE, LLC from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. To the extent you are required to execute a general release in favor of B&P BURKE, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. § 80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

6. Any claims brought pursuant to the Minnesota Franchises Act, § 80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement or Multi-Unit Agreement imposes a different limitations period, the provision of the Act shall control.

_____ _____

Franchisee /Date Franchisor/Date

ADDENDUM TO B&P BURKE**, LLC**
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

Item 13

B&P BURKE, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§ 80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. § 80.C.21 and Minn. Rule 2860.4400J prohibit B&P BURKE, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of B&P BURKE, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

B&P BURKE, LLC
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

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2.AMENDMENT TO B&P BURKE, LLC FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK

3.ADDENDUM TO B&P BURKE, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NEW YORK

STATEMENT REQUIRED BY THE STATE OF NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE/DEVELOPER TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

ADDENDUM TO THE B&P BURKE, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of Article 33 of the General Business Law of the State of New York, the parties to the B&P BURKE, LLC Franchise Agreement agree as follows:

1. Sections 3.2(vi) and 15.2(viii) of the Franchise Agreement will be supplemented by adding the following language at the end of the Section:

   provided, however, that all rights enjoyed by Franchisee and any causes of action arising in franchisee's 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 provision that the nonwaiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied;

2. Section 18.8 of the Franchise Agreement shall be supplemented by the addition of the following language at the end of the Section:

   However, the foregoing choice of law shall not be considered a waiver of any right conferred upon franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the General Business Law of the State of New York, Sections 680-695, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement and Multi-Unit Agreement in duplicate on the date indicated below.

_____ _____

Franchisee/Date Franchisor/Date

ADDENDUM TO B&P BURKE, LLC'S
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

In recognition of the requirements of the New York General Business Law, Article 33, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.2 the Franchise Disclosure Document for B&P BURKE, LLC for use in the State of New York shall be amended as follows:

1. Item 3 shall be supplemented by the following:

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark 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. In addition, neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark has any pending actions against them, 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.

Neither we, our predecessor, nor any person identified in Item 2 or an affiliate offering franchises under our principal trademark 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.

Neither we, our predecessor, any person identified in Item 2 or an affiliate offering franchises under our principal trademark 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.

2. Item 4 shall be supplemented by the following:

During the 10-year period immediately before the application for registration, neither we nor our affiliate, any predecessor, current officers or general partner has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after our officer or general partner held this position in the company or partnership.

3. Item 5 shall be supplemented by the following:

We use the initial franchise fee to defray our costs of offering franchises and assisting franchisees to start business. A portion of the initial franchise fee may be profit to us.

4. Item 17, the Summary Column opposite Provision D, shall be amended to also state the following:

The franchisee may terminate the agreement on any grounds available by law.

5. Item 17, the Summary Column opposite Provision J, shall be amended to also state the following:

However, no assignment will be made except to an assignee, who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the multi-unit option or franchise agreement.

6. Item 17, the Summary Column opposite Provision W, shall be amended to also state the following:

The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

_____ _____

Franchisee/Date Franchisor/Date

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

For franchises and franchisees/developers subject to the North Dakota Franchise Investment Law, the following information supersedes or supplements, as the case maybe, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

1. Item 17 is amended by the addition of the following language to the original language that appears therein:

(a) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in North Dakota, except in certain instances as provided by law.

(b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

(c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(d) Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(e) Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(f) Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

(g) Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(h) Any provision in the Franchise Agreement requiring a franchisee to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

(i) Any provision in the Franchise Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Agreed to by:

FRANCHISEE:

_____

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

FRANCHISOR:

B & P BURKE, LLC

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

ADDENDUM TO WNW FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

For franchises and franchisees subject to the Rhode Island Franchise Investment Protection Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the B&P BURKE, LLC Franchise Disclosure Document.

Item 17(v) of the Franchise Disclosure Document is hereby amended as follows:

> §19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____(the "Agreement"), between B & P Burke, LLC, a California limited liability company ("B & P Burke") and_, a ____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

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

FRANCHISOR:

B & P BURKE, LLC

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

ADDENDUM TO WNW FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF SOUTH DAKOTA

Neither B&P BURKE, LLC, nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

We may not terminate the Franchise Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty payments unless you receive thirty (30) days prior written notice from us and you are provided with an opportunity to cure the defaults. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Michigan.

Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

_____ _____

Franchisee/Date Franchisor/Date

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT AND RIDER 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.

Payment of the initial franchise fee by you to franchisor is deferred until we have fulfilled our pre-opening obligations and your franchise has opened for business.

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 the 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.

Item 17(o) and the franchise agreement are amended to provide that we may be required to purchase your assets by law. RCW 19.100.180(2)(i) states: "For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition and therefore unlawful and a violation of this chapter for any person to . . . [r]efuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment, and furnishings not reasonably required in the conduct of the franchise business; PROVIDED, that compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor; PROVIDER FURTHER, that a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such

franchisee to the franchisor."

Further, with regard to termination for good cause, RCW 19.100.180(2)(j) states in relevant part: "Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to franchisor; (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his or her express requirement; PROVIDED that a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor."

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.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	B & P BURKE, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM TO B&P BURKE, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for WNW Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are 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 and Multi-Unit Agreements 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.

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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If B & P Burke, 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 requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If B & P Burke, 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, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Simone Kelly	18281 Gothard St., Suite 203 Huntington Beach, CA 92648	714-846-3800
Jason Wiedder	270 State Street, Hackensack, New Jersey 07601	(800) 267-7816

Issuance Date: April 12, 2022, as amended December 15, 2022. I received a disclosure document dated April 12, 2022, as amended December 15, 2022, that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Form of General Release
D. Financial Statements
E. Operating Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document

Signature: _____
Print Name: _____
Date Received: _____

Keep This Copy For Your Records

RECEIPT

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D. Financial Statements
E. Operating Manual Table of Contents
F. Current and Former Franchisees
G. State Addenda to Disclosure Document and Franchise Agreement

Signature: _____
Date Received: _____

Return this copy to us.

B & P Burke, LLC
18281 Gothard St., Suite 203, Huntington Beach, CA 92648