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Franchise Disclosure Document [FDD]

Recycled Granite

® Recycled Granite Franchise, LLC an Indiana limited liability company 1952 US Highway 41
Schererville, Indiana 46375
www.RecycledGranite.com
Julie@RecycledGranite.com
Direct Line: (219) 313-1388

The franchise offered is for the operation of a granite and stone recycling business that re-purposes granite and stone remnants by turning them into different size products and selling them to architects, builders, contractors and homeowners for construction and remodeling projects. This is a "green" environmentally-friendly business that eliminates landfill waste, saves energy, makes products using proprietary equipment and creates jobs, under the name "Recycled Granite™". The Initial Franchise Fee is $25,000 to complement an existing business with a Recycled Granite™ business (Model A, B, or C) with protected rights to operate in a specific area as defined by us. Additional franchises may be available for those franchisees who have bought at least one franchise, at a reduced fee of $15,000 per Franchise. The total investment necessary to begin operation of a Recycled Granite™ franchise ranges from $35,000 to $49,275 for a Model A, from $60,700 to $83,775 for a Model B, and from $102,700 to $130,775 for a Model C, which will depend on a number of factors which are further discussed in Item 7. These figures include the Initial Franchise Fee of $25,000 for any Model (A, B, or C) (as discussed in Item 5) that must be paid to the Franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or any affiliate in connection with the proposed franchise sale. **Note, however, 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, contact:

Julie Rizzo, ~~President~~Founder & CEO Recycled Granite Franchise, LLC 1952 US Highway 41
Schererville, Indiana 46375
(219) 313-1388

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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.

We currently do not engage the services of franchise brokers.

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

Issuance Date: April ~~17, 2018~~9, 2019

STATE COVER PAGE

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

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

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

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

1) THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE ONLY IN INDIANA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH RECYCLED GRANITE FRANCHISE, LLC IN INDIANA THAN IN YOUR HOME STATE.

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

3) THE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT.

4) WE CURRENTLY DO NOT ENGAGE THE SERVICES OF FRANCHISE BROKERS.

5) YOUR TERRITORY IS NOT AN EXCLUSIVE TERRITORY BUT A PROTECTED AREA AS FURTHER DESCRIBED UNDER ITEM 12 TITLED TERRITORY.

6) ~~THE FRANCHISEE'S~~YOUR SPOUSE MUST SIGN A ~~PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY~~DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ~~THE~~ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT ~~WHICH ALSO PLACES THE~~EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND

PERSONAL ASSETS ~~AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY~~, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

7) WE WERE FORMED ON MAY 29, 2015, AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

8) THE FRANCHISOR ~~HAS LIMITED FINANCIAL RESOURCES THAT MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES. FRANCHISOR HAS ELECTED TO DEFER THE COLLECTION OF INITIAL FRANCHISE FEES FOR FRANCHISES TO BE OPERATED IN INDIANA UNTIL ALL OF FRANCHISOR'S PRE OPENING OBLIGATIONS TO EACH RESPECTIVE FRANCHISEE ARE SATISFIED.~~'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.

9) SOME OF OUR TRADEMARKS ARE NOT FEDERALLY REGISTERED THEREFORE THEY DO NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS FEDERALLY REGISTERED TRADEMARKS. IF OUR RIGHT TO USE AND LICENSE ANY OF OUR TRADEMARKS IS CHALLENGED, YOU MAY HAVE TO USE AN ALTERNATIVE TRADEMARK THAT IS LICENSED TO YOU BY US. THIS MAY INCREASE YOUR EXPENSES.

~~10)THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $35,000 TO $130,775. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S NEGATIVE EQUITY OF $6,494.92 AS OF DECEMBER 31, 2017.~~

10) ~~11)~~THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY.

Effective Date: see next page for state effective dates

IMPORTANT NOTE: Upon receipt of this Franchise Disclosure Document [FDD] and Franchise Agreement, you are required to sign and return the "Receipt Form" which is Exhibit K of the FDD

and return it to Recycled Granite Franchise, LLC by mail if this document has (i) been sent to you rather than personally delivered by a corporate representative or (ii) sent to you by email.

Issuance Date for Non Registration States: April ~~17, 2018~~9, 2019

The states listed below may require registration or filing of this Disclosure Document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement (see the State Addenda to this Disclosure Document for certain states).

Effective Dates for States Requiring Registration and Notice Filings:

California: ~~May 3, 2018~~Pending Connecticut: Not Registered

Florida: ~~April 17, 2018~~Pending

Hawaii: Not Registered

Illinois Not Registered

Indiana: Pending

Kentucky: April ~~17, 2018~~9, 2019

Maryland: Not Registered

Michigan: ~~April 17, 2018~~Pending

Minnesota Not Registered

Nebraska: Not Registered

New York: Not Registered

North Carolina: April ~~17, 2018~~9, 2019 North Dakota: Not Registered

Rhode Island: Not Registered

South Carolina: ~~Not Registered~~April 9, 2019 South Dakota: Not Registered

Texas: April ~~17, 2018~~9, 2019

Utah: Not Registered

Virginia: Pending

Washington: Pending

Wisconsin: **Not Registered**

Franchise Disclosure Document [FDD]

Recycled Granite Franchise, LLC

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ITEM 1
FRANCHISOR AND ANY PARENTS, PREDECESSORS & AFFILIATES

The Franchisor is Recycled Granite Franchise, LLC, an Indiana limited liability company, doing business as "Recycled Granite™". For ease of reference, Recycled Granite Franchise, LLC will be referred to as "we", "us", "our", "RGF" or "Franchisor" in this Disclosure Document. We will refer to the person or entity who buys the Franchise as "you," "your," and "Franchisee," throughout this Disclosure Document. If you are a corporation or a limited liability company or other entity, certain provisions of the Franchise Agreement also apply to your shareholders, members or owners and will be noted. Any entity such as corporations, partnerships, limited liability companies or other type of entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners".

We are an Indiana limited liability company, incorporated on May 29, 2015. We do business under the same name as our corporate name "Recycled Granite Franchise, LLC" and may also use the name "Recycled Granite", "Recycled Granite Eco Shop" or "My Choice Recycling". Our principal business address is 1952 US Highway 41, Schererville, Indiana 46375. We operate and sell franchises for the operation of a business known as "Recycled Granite™" (the "Business", "Franchise" or "Franchised Business"). We offer a Franchise Agreement for the development and operation of a granite and stone recycling business, which is within a protected territory. This is the first time RGF has offered franchises of the type described in this Disclosure Document, and RGF has never offered franchises in any other line of business. Our agents for service of process are disclosed in Exhibit B.

Our Predecessors and Affiliates:

There are twenty operating businesses that offer similar services to a Recycled Granite™ Business. The following is a list of RGF's predecessors and affiliates, including principal addresses and number of locations for each.

Our affiliate, US Greenworks, LLC (USG) owned by Julie Rizzo is an Indiana limited liability company that was formed on October 22, 2008. USG shares the same physical address as us and operates two company-owned businesses owned by USG: Recycled Granite located at 1952 US Highway 41, Schererville, Indiana 46375 which began operations October 22, 2008; and Recycled Granite Outlet located at 1952 US Highway 41 Schererville, IN 46375 which began operations October 10, 2014 and is now partly owned by Sherrie Benkovich. Both locations are substantially similar to the Franchise Business being offered for sale by us. USG previously granted independent operators "Members" the right to sell products and offer services using our proprietary equipment under a membership agreement "Membership Agreement". USG has also created a referral network program made up of independent business owners "Referral Network Partners" that offer similar products and services to us but are in no way affiliated with us. As of April 20, 2016, there were nine Referral Network Partners and USG has discontinued the referral network program. USG will be providing all franchisees with equipment and display towers as an approved vendor. USG and RGF are independent entities, and USG does not assume any of our legal or other obligations nor us of theirs. USG does not and has not previously offered franchises in this or any other line of business.

Prior to Recycled Granite's ability to sell franchises, there were eight Members given the right to sell products and offer services using our proprietary equipment under Membership Agreements between Members and our affiliate US Greenworks, LLC, ("USG") as identified in Item 1. Members were be offered the opportunity to terminate his or her Membership Agreement and become a Recycled Granite™ franchisee. Five members elected to enter franchise agreements. These now-franchisees are classified as franchisees on the listing for 2016 and their addresses and telephone information is listed in Exhibit G.

Three members elected not to enter franchise agreements and are no longer Members, and their addresses

and telephone information is listed in Exhibit I. As of November 29, 2016, there are no remaining Members.

Our affiliate, My Choice Recycling ("MCR") owned by Julie Rizzo, was formed on September 9, 2010 as an Indiana non-profit domestic corporation. MCR shares the same physical address as us providing education and recycling awareness to the community. We and MCR are independent entities, and MCR does not assume any of our legal or other obligations, or us of theirs. MCR does not and has not previously offered franchises in this or any other line of business

Our Business and the Franchises Offered:

The Recycled Granite™ business model has been developed as an environmentally-friendly solution to reduce granite and stone waste by recycling the material to create various products that can be used either for construction and remodeling projects or for consumer products. This business repurposes granite and stone waste by turning such material into useful products to be sold and can be started as an addition to an existing retail business location or started out of a small industrial space, warehouse space or free standing structure with a small showroom (all of which must be approved by us). Franchises will be offered to qualified individuals who will be given an option to operate either a Stone & Pallet by Recycled Granite retail concept that involves a stand-alone location retail selling eco-friendly products made from Recycled Granite and reclaimed materials that also hosts parties and events as seen at www.StoneandPallet.com ("Model A"), a similar retail concept with an added focus on light manufacturing products including Light Commercial Super 7 machines ("Model B"), or a retail concept with an added focus on hardscape manufacturing products such as pavers and fire pits including Hardscape Industrial Top 10 machines ("Model C"). Some larger Model C locations may also sell products to smaller Model A retail stores within their region. Each Recycled Granite™ franchise will produce a wide variety of construction-related products to sell using our proprietary equipment (such as: pavers, tiles, split stone veneers, etc.) in addition to consumer products (such as: jewelry, wine stoppers, whisky rocks, murals, decorative elements, etc.) and will offer: our proprietary blend packages, services to pick-up granite and stone remnants, consultation services and delivery services in addition to other granite and stone re-purposing products and services approved by us. We may authorize the sale of additional products and services to be offered by you in the future such as: recycled granite countertops, pervious landscaping pavers, wet cast pavers, stamped paver services, installation services, stone restoration and repair services and other home improvement-related services and/or granite and stone- related products approved by us. Unless it is necessary for us to distinguish in this Disclosure Document between Models A, B, and C, references to the Franchise, Franchised Business or Business include either model and references to your "Location" cover any and all Model locations you operate.

Competition includes national and local stone, granite or hard surface fabrication businesses operated by national chains, local chains, independent operators and to some extent remodeling businesses, construction businesses and home improvement or building supply stores offering similar products and services to those found in a Recycled Granite™ business. The stone recycling industry is growing, changing and continues to re-create itself as there is a high demand for using repurposed stone and the market is becoming competitive in the United States. Generally there is no seasonality to this business. We plan controlled expansion into areas that we determine can support a Recycled Granite™ business to improve name recognition and our reputation through franchised businesses.

The Recycled Granite™ Business is characterized by our: unique products and blend packages, services, proprietary equipment, strategies for securing local raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; specifications for equipment, products and supplies, relationships with vendors and suppliers, purchasing strategies, cost controls and ongoing training; unique recognizable signage and vehicle appearance standards; build out specifications that

incorporate custom furnishings, décor, color scheme and signage; a regional franchise web page housed within our national website and an intranet portal for internal communications; guidelines for hiring, training and retaining employees, proprietary special needs program (known as the "Green Abilities Program"), customer service guidelines, operational procedures to enhance efficiencies; proprietary marketing, advertising, promotional and community programs; management and record keeping procedures; our confidential operations manual ("Operations Manual" or "Manuals") and other manuals and materials which are made available either in hard copy or electronically; all of which may be changed, improved and further developed by Franchisor periodically (the "System").

The System is identified by means of certain trade names, service marks, trademarks, slogans, logos, emblems, and indicia of origin, including the design plus word mark "Recycled Granite" which is registered on the principal register of the United States Patent and Trademark Office, bearing the registered number 4981185. The word marks "Ecopavers", "Lazy Susan Liners" and "Going Green has Never Looked So Good" are registered on the principal register of the United States Patent and Trademark Office bearing the registration numbers 4446827, 4631198 and 4790228. You will be licensed to use not only these marks and designs, but also all other service marks, trademarks, slogans, logos and emblems as we may designate for use in connection with the System (collectively, the "Marks" and each a "Mark").

Your own efforts and skills are necessary, but not a guarantee, for you to succeed. We cannot guarantee your success, as there exist both typical and special business risk factors. These include but are not limited to: changing market conditions, competition, cost of products, supplies and equipment; new technologies, changing consumer demands, poor weather conditions, real estate market, capital, labor, your own health, continuity of your management, continuation of sources of supply, availability of financing, recession or depression locally or nationally, wars, strikes, acts of terrorism, emergencies whether natural or manmade, litigation, liability and casualty losses.

Other risks that may affect your business include but are not limited to: industry developments, pricing policies of your competitors, state licensing requirements, supply and demand. Another risk to mention is your dependence on key personnel, the loss of whom could have an adverse effect on your Business. The purchase of a Recycled Granite™ (or any other) franchise is speculative and a significant investment beyond that outlined in this Disclosure Document may be required to succeed. There are no guarantees for success, and the most important factors in the success of any Recycled Granite™ Franchise, including yours, are your personal business, marketing, management, judgment, other skills and your willingness to work hard and diligently to follow our System.

Laws and Regulations:

Generally, there are no governmental regulations that apply specifically to operating a granite and stone recycling business. You must comply with all local, state and federal laws that apply to your Business and to the public use generally. Those laws include: the Resource Conservation and Recovery Act of 1976, the Clean Water Act of 1977, the Clean Air Act, the Comprehensive Environmental Response Compensation and Liability Act, Equal Employment Opportunity Commission ("EEOC"), Occupational Safety and Health Administration ("OSHA"), Federal Trade Commission ("FTC"), health and sanitation laws, consumer protection laws, pricing laws and employment laws. We are not aware of any laws, regulations or licensing requirements specific to producing products for a Recycled Granite™ business because the work that is performed on granite and stone is very minimal and does not constitute fabrication. However, in your state, province or county, there may be local codes, ordinances, statutes, laws or licensing requirements which regulate any type of modification made to granite and stone, as required in a Recycled Granite™ business such as the one being offered in this Disclosure Document, and such regulations could affect the operations of your Business. These laws and regulations vary from place to place and can change over time. You must know such laws and regulations in your locality and must make sure that you and all

your employees who work in your Business comply with any such laws and regulations as well as obtain any licenses, certifications or permits required by your locality for performing work in your Business. You should consider both their effect on your Business and the cost of compliance.

Your business may be subject to various employment regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers' compensation, child labor practices, disabled employees and discrimination in employment practices. You may be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding employment opportunities. There may be other laws and codes applicable to your business, and we urge you to make further inquiries about those laws and codes.

It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws in addition to obtaining and keeping in force all necessary certifications, licenses and permits required by public authorities, since they vary from place to place and can change over time. Although we monitor legal requirements that affect our franchisees and we make our information available to you, because of the number of potential state and local issues we cannot guarantee that it will be complete, current and accurate. Therefore, we recommend that you consult with your attorney for an understanding of all the laws applicable to your specific Recycled Granite™ Business and in complying with them.

We have not offered franchises in other lines of business in the past. We do not engage in any business other than the offer of franchises.

ITEM 2
BUSINESS EXPERIENCE

CEO: Julie Rizzo: Julie is the founder of Recycled Granite™ business model serving as our ~~President~~CEO and Founder since our inception in May 2015. ~~She has been responsible for inventing ways to repurpose granite and stone, developing our equipment, creating production procedures, our vendor and supplier relationships in addition to all advertising and media coverage.~~ From October 2016 to present, Julie has also been a 50% owner of the Recycled Granite Outlet located in Schererville, Indiana. From September 2010 to present, Julie has been the owner of the non-profit My Choice Recycling in Schererville, Indiana. From October 2008 to present, she has been serving as President for our affiliate, US Greenworks, LLC based out of Schererville, Indiana. ~~Julie will continue to develop new products, equipment, service standards and production procedures; assist with franchise sales and lead our franchisee training program while providing ongoing operational support to franchisees.~~

President: Julie Olauson: Julie has been serving as our President since June 2017. ~~Julie will work to establish a solid foundation for franchisees through strong marketing campaigns to build brand awareness and will work with franchisees in the educational context. Education is a key component at Recycled Granite. As a public speaker, Julie highlights the stone import to solid waste cycle that is occurring across the United States. She has been a speaker at multiple venues including Schools, Universities, Chambers, City meetings and conferences. With her documentary, "Granite's Journey: From Mine to My Landfill" she outlines the scope of the issue. This brings a unique perspective and viable viewpoints that create thought provoking discussions to increase conservation awareness.~~ From December 2013 to present, Julie has also been the owner of Recycled Granite Arizona, an Arizona franchisee. From November 2004 to June 2013, Julie worked for Chick-fil-A in Southern California, among other things, as a Store Implementer. ~~Julie's frontline approach to building a successful industry helped Julie create a healthy direction when building her own company. With experience in industry development and the knowledge formed by running her own successful Recycled Granite franchise, Julie was our top choice to step into the role of~~

~~President.~~

Director of Training: Sherrie Benkovich: Sherrie has been serving as our Director of Training since our inception in May 2015. ~~She has been responsible for training employees on all aspects of the business and has helped develop our Green Abilities Program.~~ From October 2016 to present, Sherrie has also been a 50% owner of the Recycled Granite Outlet located in Schererville, Indiana. From February 2014 to present, Sherrie has been a Green Abilities Director for our affiliate, US Greenworks, LLC based out of Schererville, Indiana while also serving as a "Special Needs Director" from January 2015 to September 2016 for ARC also based out

of Highland, Indiana. Previously from October 1996 to February 2014 she was an Operations Manager for Opportunity Enterprises based out of Valparaiso, Indiana. ~~Sherrie will continue to streamline our training programs, assist with our franchisee training program and provide operational support to franchisees.~~

Equipment and Installation Coordinator: Shane Petersen: Shane has been serving as our Equipment and Installation Coordinator since our inception in May 2015. ~~Shane has been responsible for testing and approving all equipment, developing new technologies and managing installations for our media productions.~~ From March 2011 to present, he has been serving as President for StoneTex Products based out of Belgrade, Montana while also serving as President from March 2000 to present for Peterson Flooring, Inc. also based out of Belgrade, Montana. ~~Shane will continue to develop and test equipment, manage installation processes, assist with our franchisee training program and provide ongoing operational support to franchisees~~.

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

The Initial Franchise Fee for a single Franchise (the "Initial Franchise Fee") is $25,000 for either a Recycled Granite™ Model A, B, or C in a protected area. The protected area of a Franchise is determined once a location from where you want to operate your Business is identified and approved by us. The Initial Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as set forth in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Franchise Fee also includes the development of a custom local affiliate web page for your Franchise housed within our national website, a web server for your web page and will include access to franchise portals online for ongoing news bulletins and templates for print and advertising materials to support your business; a copy of our proprietary Operations Manual, a startup kit that includes products, packaging and marketing materials, our three day training program at corporate headquarters and one day of assistance and guidance at your location for either pre-opening or grand opening assistance. You must purchase specific equipment, products and supplies from us, our affiliates or our approved vendors and/or suppliers and the cost for these items may not be refundable (as described in Item 7 and Item 8). You will be provided with a list of approved vendors and suppliers for all equipment, products and supplies necessary to operate your Business during the initial training program. At the time you sign your Franchise Agreement or at any time you are in good standing under your Franchise Agreement, you may purchase a second franchise (and any additional franchises thereafter) for $15,000 each if we offer additional franchises to you.

The Initial Franchise Fee is paid in a lump sum at the time the Franchise Agreement is signed and is deemed fully earned and nonrefundable upon payment per the terms of the Franchise Agreement. We have elected to defer the collection of the Initial Franchise Fee for each franchise to be located in Indiana until we have satisfied all of our pre-opening obligations to each franchisee.

We may offer you an option ("Option") to be awarded a Recycled Granite™ Franchise, on the

terms set forth in the Option Agreement attached as Exhibit F. Under the Option Agreement, you have three months (the "Option Term") to enter into a Franchise Agreement for a Franchised Business within your designated territory or for additional territories. In exchange for the Option, you pay a nonrefundable fee of $5,000 ("Option Fee") that: (i) will be credited toward the Initial Franchise Fee if you exercise the

Option to purchase an initial franchise during the Option Term, or (ii) will be credited toward the franchise fee for an additional franchise if you exercise your Option to buy an additional franchise during the Option Term following the purchase of the Option to buy an additional franchise. The Initial Franchise Fee upon exercise of an option will be the same as the Initial Franchise Fee without an Option. Whether you buy an initial franchise or an additional one, you must complete the purchase during the Option Term of the Option Agreement.

The Initial Franchise Fee and Option Fee are not refundable and are payable in full when you sign the Franchise Agreement or Option Agreement, as applicable, except as provided in Item 11. In certain states, as required by state authorities based on a review of our financial statements, we may defer our receipt of the initial Franchise Fee and all other Initial payments or deposit them into escrow until we have met our initial obligations to you; see state addenda in Exhibit D.

We have established a Member discount program for existing Members. Any Member who terminates their Membership Agreement with our affiliate, US Greenworks, LLC and immediately executes a Franchise Agreement before January 31, 2016 will receive a 90% discount off the Initial Franchise Fee when purchasing a franchise. This program does not apply to additional franchises. We retain the right in our sole discretion to modify or terminate this Member discount program at any time with or without notice. The factors concerning our decision to modify or terminate the Member discount program include the number of franchises that we sell, the number of Members that interested in terminating their Membership Agreement and purchasing a franchise.

In addition, we may offer a program in the future whereby Franchisees can receive a flat referral fee of $1,000 in cash, services or product credit for referring a third party franchise prospect to us, who ultimately becomes a Recycled Granite™ franchisee. You are authorized only to present a prospect with our informational brochure and to identify the prospect to our company franchise sales staff. You are not authorized to act as our agent or franchise broker and are not instructed to provide any information, or financial performance representations, to prospects other than our information brochure. If you receive a referral fee, notice will be given to the prospective franchisee receiving the Disclosure Document, together with the same type of information reported in Item 2 and Item 3 of this Disclosure Document about Franchisee. We retain the right in our sole discretion to modify or terminate this referral program at any time with or without notice. The factors concerning our decision to start, modify, or terminate the referral program include the number of franchises that we sell, the number of referrals that we receive from current franchisees, and the quality of referrals that we receive from current franchisees.

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalties	A flat $250 per calendar month for the first twelve months of your franchise term. 2.5% of Gross Revenues or a flat $250 per calendar month (whichever is greater) starting on the thirteenth month your Business is open for operation.	Due by the 5th day of each month for the previous month.	See Note 1
System Advertising	.5% of Gross Revenues or a flat $50 per calendar month (whichever is ~~greater) starting on the third month your Business is open for~~	Due by the 5th day of each month for the ~~previous month.~~	We may increase this fee upon 90 days' written notice ~~to you. However, your total contribution will not exceed~~

	~~operation.~~		~~3% of Gross Revenue and/or $25 per month in any calendar year. See Note 2 and Item 11~~
~~Type of Fee~~	~~Amount~~	~~Due Date~~	~~Remarks~~
	greater) starting on the third month your Business is open for operation.	previous month.	to you. However, your total contribution will not exceed 3% of Gross Revenue and/or $25 per month in any calendar year. See Note 2 and Item 11
Interest and Late Charges	1.5% per month or maximum rate allowed by law provided the interest rate cannot exceed the maximum legal rate.	After due date of fees.	See Note 3
Additional Training	$250 per person per day or costs of third party charges..	At time training is scheduled and/or additional assistance is requested by you.	While the initial Franchise Fee includes the cost of our initial training program, the Initial Franchisee Fee only covers training for up to three individuals. See Item 11. Additionally this fee is applicable upon an approved ~~transfer of the Franchise.~~ transfer of the Franchise.
Audit Expenses	Cost of Audit Fees plus interest @ 18% per annum (1.5% per month) up to the maximum interest allowed by law.	Ten days after receipt of audit report	Payable only if you understate Gross Revenues by 2% or more. We expect the cost to be between $2,500- $5,000 unless your financial records are not well kept.
Costs and Attorney's Fees	Will vary under circumstances.	As Incurred	Payable as incurred by us in obtaining injunctive relief for the enforcement of any item of the Franchise Agreement.
~~Type of Fee~~	~~Amount~~	~~Due Date~~	~~Remarks~~
			~~of the Franchise Agreement.~~
Indemnification	Will vary under circumstances.	On Demand.	As Incurred; See Note 4
Web Page ~~Maintenance and Promotion Fee~~ Maintenance	Currently a $65-$125 per hour that may ~~be necessary to update and/or promote your web page~~ be necessary to update and/or promote	As Incurred	Payable to us, our affiliates ~~and/or approved vendors. See Note 5~~ and/or approved vendors. See

and Promotion Fee Product, Vendor and Equipment Testing Fee	your web page $100 per product or vendor. $300 for equipment testing	On Demand	Note 5 Payable to us. See Note 6
Transfer Fee	A flat fee of $5,000 when you transfer a part of the Business or a flat fee of $10,000 when you transfer all the Business. If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	At the time the transferee signs the Franchise Agreement in effect for transfer or sale.	Payable to us when the Franchise Agreement is signed or a material portion of the assets in the Business is transferred.
Type of Fee	**Amount**	**Due Date**	**Remarks**
	Business. If transferee came from our lead database, you may be required to pay the then-current referral fee to us plus any costs associated with applicable broker fees.	in effect for transfer or sale.	of the assets in the Business is transferred.
Renewal Fee	None	At the time of the five year renewal period for each franchise.	For the same protected area
Resale Fee	Varies	On Demand	If you ask and we agree to assist you in finding a buyer for your Business, you pay us a fee to cover our costs and expenses, including time committed by our personnel.
Temporary Management	Actual Costs	On Demand	Upon death or disability, a manager who completed our training, must be employed to operate the Business. If not done, we can appoint a manager for up to 90 days, renewable up to one year. All expenses, including manager compensation, travel and living expenses will be charged against operating revenues. We also charge against those revenues, the amount of our expenses.
Conference	Conference fee, travel, transportation, lodging, meals and incidental expenses	As Incurred	As Incurred and payable to
Type of Fee	**Amount**	**Due Date**	**Remarks**

Conference Fee	Conference fee, travel, transportation, lodging, meals and incidental expenses in addition to compensation of the people you send to any conferences. Will vary under circumstances. There will be a registration fee for conferences not to exceed $500 per person although we will work in good faith to keep the cost so it does not exceed our cost.	As Incurred	As Incurred and payable to third parties and us.
Refresher Training and/or Continuing Education	Will vary under circumstances. Continuing education is estimated not to exceed $250 per person per day plus your travel expenses or our expenses if we come to your location.	As Incurred	The location for refresher and/or continuing education will be at our headquarters although we reserve the right to provide them over the internet or phone. There may be an annual conference for all franchisees to attend and other conferences as needed. ~~See Item 11, (13iii) for more detail.~~
Type of Fee	Amount	Due Date	Remarks
			See Item 11, (13iii) for more detail.

Except as stated above, you pay all fees to us and they are uniformly imposed. All fees are non- refundable.

Note 1: Gross Revenue is defined in the Franchise Agreement as the gross amount, in money or other forms of consideration, that you earn or receive from any source-related to, or in connection with, the operation of your Franchised Business or with this Franchise, whether on or off your premises. Gross Revenue also includes fair market value for any product or service you receive in barter or exchange for your products or services and all insurance proceeds that you receive for the loss of the Business due to a casualty to or similar event at the Business. We exclude only gratuities paid by customers to employees of the Business, service fees for credit card transactions, sales tax receipts that you must by law collect or pay and any customer refunds of previous payments you actually make.

The royalty obligation begins on the first month your Business is open for operation and continues for the term of your Franchise. Your Business is deemed open for operation immediately after you complete the initial training program. The royalty is due and payable monthly on the 5th day of each month for the previous month and is to be received how we specify. The royalty rate is a flat $250 per calendar month for the first twelve months of your franchise term; in the thirteenth month of your franchise term and every month thereafter, the royalty rate is 2.5% of Gross Revenues or a flat $250 per calendar month (whichever is greater) per calendar month for the entire term of your Franchise Agreement. If your Franchise Agreement is terminated, you may be required to continue royalty payments for the remaining term of your Franchise Agreement.

Royalty fees may be payable by direct deposit from franchisee's account to us and all royalty fee are imposed by us only. See Direct Deposit Agreement attached as Schedule 1 of the Franchise Agreement. We reserve the right to change the time and manner of payment upon written notice to you. All royalty fees are non-refundable. All royalties are uniformly imposed.

Note 2: You will pay us a System Advertising Fee contribution equal to a flat $50 per calendar month for the first twelve months of your franchise term; in the thirteenth month of your franchise term and every month thereafter, you will pay us a System Advertising Fee contribution equal to .5% of Gross Revenues or a flat $50 (whichever is greater) per calendar month as defined in the Franchise Agreement. The System Advertising Fee is collected by us and all System Adverting Fees are non-refundable. The payment of the System Advertising Fee begins on the third month your Business is open for operation (as defined in Note 1) and is due on the 5th day of the each month, then continues for the term of the Franchise. We may raise, discontinue, or reduce the contribution, but your total contribution will not exceed 3% of your Gross Revenues in any calendar year and/or more than a $25 per month increase to the flat fee minimum in any calendar year. Gross Revenue is defined in the Franchise Agreement and in Note 1 above. You pay the System Advertising contribution at the same time and under the same terms as the royalty fee described above. System Advertising Fees are uniformly imposed on all franchisees.

We will place the System Advertising Fee contribution in a separate bank account. We may use this fund for marketing, local, regional, national, or international advertising, public relations, promotions, surveys, test marketing, research and development administration (including all related expenses such as our salaries, accounting, collection, legal, and other costs), and any media costs (including media production

costs). We make the expenditures at our discretion. We do not represent that any particular level of expenditure will be made for particular programs or to benefit particular franchisees or franchised locations. We are not required to spend any amount on advertising in the area where you are located. We will not spend advertising funds for activities that are principally a solicitation for the sale of franchises. There is no fiduciary relationship between us and you concerning any System Advertising contribution. All System Advertising Fees are collected only by us.

Note 3: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments, provided no interest shall exceed the maximum legal rate. All interest and late charges are: payable only to us, uniformly imposed and non-refundable.

Note 4: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the Franchised Business. If you default under the Franchise Agreement and we engage an attorney for collection or enforcement, you must pay all our damages, legal fees and costs to the extent permitted by law (Franchise Agreement Section XVIII).

Note 5: We, our affiliates and/or our approved vendors will complete all changes, updates and promotions to your web page. Any requests for changes or updates to the content of your web page and/or any type of web page promotion you wish to do must be approved by us in writing and performed by us, our affiliates and/or our approved vendors. We will respond to you within 30 days of our receipt of your request for all web page changes. The web page maintenance and promotion fee is currently $65-$125 per hour and is payable to us, our affiliates, or our approved vendors. We may change our web page maintenance and promotion fee requirement upon 90 days' notice to you and you will be required to adhere to our new web page maintenance and promotion fee requirements at your own expense. The fees may be changed in response to any increase in the United States Consumer Price Index, if we choose to offer additional features, if we choose to provide additional web pages or if we believe that conditions in the overall economy or in the market for services warrant any change in fees. Web page maintenance and promotion fees are non-refundable and are uniformly imposed and collected only by us, our affiliates, or our approved vendors (Franchise Agreement Section X.D).

Note 6: You will be required to obtain our written approval for any product, piece of equipment, vendor and/or supplier that you wish to use in the operation of your Business (as described in Item 8) and you will be responsible for paying us an assessment fee. This fee is $100 for any single product, vendor and/or supplier you wish to offer, use and/or substitute in your Business. The fee for equipment testing is a minimum of $300 per piece or the actual cost incurred by us. We may waive these fees if the products, equipment, vendors and/or suppliers you select meet our requirements and are added to our approved list of products, equipment, vendors and/or suppliers for all franchise locations. All product, equipment and vendor assessment fees are payable only to us, are non-refundable and are uniformly imposed (Franchise Agreement Section X.E).

ITEM 7
ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Model A	Model B	Model C	Method of Payment	When Due	To Whom Payment is to be Made

Type of Expenditure	Model A	Model B	Model C	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$25,000	$25,000	$25,000	The Initial Franchise Fee is $25,000 for a defined territory which includes training, a web page and a startup kit. This is non-refundable.	At signing of the Franchise Agreement.	Franchisor See Note 1 and Item 5
Technology	$500 to $1000	$500 to $1000	$1,000 to $2,500	As incurred; for a computer, software, printer, copier, scanner high-speed internet connection, router, modem and a mobile phone.	Before opening	Vendors
Equipment Machinery	$0	$24,000	$64,000	As incurred; estimated costs for all equipment necessary for the operation of your Business.	Before opening	Payable to us, our affiliates or approved vendors. See Note 2
Furniture and Fixtures	$2,000 to $5,000	$2,000 to $5,000	$2,000 to $5,000	As incurred; estimated costs for all equipment necessary for the operation of your Business.	Before opening	Payable to us, our affiliates or approved vendors. See Note 3
Shipping and Delivery	$1,000 to $2,000	$2,000 to $3,000	$2,000 to $4,000	As Incurred; estimated costs for shipping and delivery of all equipment, furnishings and fixtures. Shipping and delivery expenses vary depending on distance.	Before opening	Payable to us, our affiliates or approved vendors.
Real Estate	$1,000 to $2,500	$1,500 to $2,500	$1,500 to $3,000	As incurred: estimated expense based on occupying a space in an existing facility, or leasing a 1,000 square foot facility. The high estimate for a stand-alone retail location includes first month's rent plus a security deposit.	Before opening	Landlord See Note 4

Leasehold Improvements	$500 to $1,500	$500 to $1,500	$500 to $1,500	As incurred; the costs for interior alterations and improvements to the facility. This amount depends on the extent of the renovations needed and any allowance you negotiate with the lessor for construction	Before opening	Landlord See Note 5
Type of Expenditure	**Model A**	**Model B**	**Model C**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
				~~a stand-alone retail location includes first month's rent plus a security deposit.~~		
~~Leasehold Improvements~~	~~$500 to $1,500~~	~~$500 to $1,500~~	~~$500 to $1,500~~	~~As incurred; the costs for interior alterations and improvements to the facility.~~ ~~This amount depends on the extent of the renovations needed and any allowance you negotiate with the lessor for construction~~	~~Before opening~~	~~Landlord See Note 5~~
Utility Deposit	$1,000	$1,000 to $1,500	$1,500 to $3,000	As incurred; costs will vary due to policies of local utilities and this estimate includes a utility deposit.	Before Opening	Third parties
Inventory of Products and Supplies	$0 to $500	$500 to $1,000	$1,000 to $3,000	Lump sum; estimated costs for startup inventory of products and supplies necessary for the operation of the Business.	Before Opening	Payable to us, our affiliates or approved vendors. See Note 6
Signage	$500 to $1,500	$500 to $1,500	$500 to $1,500	Lump sum; estimated cost for the delivery and installation of exterior signage. We specify and provide you with signage guidelines in the Operations Manual. Signage expenses are not refundable.	Before Opening	Approved vendors
Vehicle	$0	$0 to $1,500	$500 to $2,000	As incurred; you must have a reliable vehicle that meets our specifications for the operation of your Business.	Down Payment or Purchase	Third parties. See Note 7

Vehicle Graphics	$0 to $200	$0 to $500	$0 to $500	Lump sum; estimated costs for approved graphics on your Vehicle if you chose this method to advertise your Business. We specify and provide you with the guidelines in the Operations Manual.	Before Opening	Payable to us, our affiliates or approved vendors. See Note 8
Uniforms	$200	$200	$200	Lump sum; This is an estimate for a minimum inventory of logoed t-shirts for you and your employees.	Before Opening	Payable to us, our affiliates or approved vendors. See Note 9
~~Type of Expenditure~~	~~Model A~~	~~Model B~~	~~Model C~~	~~Method of Payment~~	~~When Due~~	~~To Whom Payment is to be Made~~
				~~your employees.~~		~~Note 9~~
Staffing	Varies $0 to $7,500	Varies $0 to $7,500	Varies $0 to $7,500	As incurred.	Salaries and Expenses	See Note 10
Insurance	$800 to $2,000	Varies	Varies	As incurred; before commencing operations of the Business and as required by insurance company. Estimate excludes workers compensation insurance.	Before Opening	Payable to third parties See Note 11
Type of Expenditure	Model A	Model B	Model C	Method of Payment	When Due	To Whom Payment is to be Made
Travel, Lodging and Meals for Initial Training Program	$500 to $1,075	$500 to $1,075	$500 to $1,075	As incurred; training is held at corporate headquarters. You are responsible for all costs associated with attending such as travel, room and board. Estimate provided is for one person. Additional training is ~~available at your request for which an additional training fee of up to $250 per person per day may be required.~~ available at your request for which an additional training fee of up to $250 per person	Before Opening	See Item 12

Business Licenses, Permits, Certifications, Professional Fees and Association Dues	$500 to $1,000	$1,000 to $2,000	$1,000 to $2,000	per day may be required. As incurred; licenses may be required to operate your Business and any professional legal and accounting fees incurred.	Before Opening	Appropriate licensing authorities and third parties.
Operating Expenses and ~~Additional Funds~~ Additional Funds	$1,500 to $5,000	$1,500 to $5,000	$1,500 to $5,000	Additional funds necessary for the start-up of your Business ~~which includes working capital.~~ which includes working capital.	Spent over the course of the ~~first three months~~ first three months	See Note 12
Total	**$35,000 to $49,275**	**$60,700 to $83,775**	**$102,700 to $130,775**			

Except as provided below, other than security deposits and utility deposits, all payments and fees described in this Item 7 are non-refundable.

Column A: Represents a Model A, which is a Stone & Pallet by Recycled Granite retail store.

Column B: Represents a Model B which is a retail business selling eco-friendly products made from Recycled Granite and reclaimed materials with an added focus on light manufacturing.

Column C: Represents a Model C which is a retail business selling eco-friendly products made from Recycled Granite and reclaimed materials with an added focus on hardscape manufacturing. Depending on their size, some Model C facilities may also sell products to smaller Stone & Pallet retail stores within their region.

Note 1: Regardless of the model you operate, we will provide you with a startup kit that includes some products, packaging materials and marketing materials to help accelerate the opening of your Business. The startup kit will be provided to you at our cost as part of your franchise fee and includes but is not limited to an inventory of: jewelry (such as necklaces and parts), finished wine stopper bases, pre-made

whiskey rock sets, a variety of boxes, business cards, apparel, tradeshow and marketing materials. You will need to add to this kit when you run out of such items and all items must be purchased through us, our affiliates or approved vendors and/or suppliers (Franchise Agreement Section XX.A).

Note 2: This is an estimate for all the equipment we would expect you to need in order to operate your Business. The equipment you will need to purchase includes: our proprietary splitter machine, one wet saw, one portable tile saw, one stone chiseler, one rock tumbler and one proprietary split mate chiseler. You must purchase all equipment that meet or specifications, which may change from time to time and you must purchase all equipment directly from us, our affiliates or approved vendors and suppliers. If applicable, you must also pay state and local sales tax on purchases of equipment. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for equipment do not include shipping or delivery costs and may not be refundable depending on the terms of the invoice or purchase.

Note 3: This is an estimate for furniture and fixtures we would expect you to need in order to operate your Business. The items we would expect you to need for furniture and fixtures include: desks, chairs, filing cabinet, work tables, cabinets, racks, display cases, custom-made display tower, storage bins and rubber flooring mats. For each Model, your costs will vary depending on how much furniture and fixtures you have already in place and whether or not such items meet our specifications. The high estimate for a Business not operated out of the same location as an already existing business is based on purchasing all items listed above when leasing a 1,000 sq. foot industrial or warehouse space. You must purchase all furniture and fixtures that meet or specifications, which may change from time to time. You must purchase all furniture and fixtures directly from us, our affiliates or approved vendors and suppliers. If applicable, you must also pay state and local sales tax on purchases of furnishings and fixtures. The sales taxes may range from 3% to 10% of the purchase price and are not included in these estimates. Expenses for furniture and fixtures do not include shipping or delivery costs and may not be refundable depending on the terms of the invoice or purchase agreement.

Note 4: A Recycled Granite™ business can easily complement another business. If you operate a Business in the same location as another existing business, the space for your Business must not violate any applicable laws, regulations or zoning restrictions; and the space for your Business may need to be enclosed and separate from the other business. The low end of the estimate represents a smaller retail space and the high end of this estimate represents leasing a small industrial or warehouse space of approximately 1,000 square feet plus exterior space for storing materials at an average rent of ¢.95 per square foot per month. Actual rental costs may be significantly higher than what is projected. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. Whether or not rent or lease payments are refundable depends on the terms and conditions of your rental agreement or lease agreement with your landlord (Franchise Agreement Sections XII.S and XII.T).

Note 5: If operating a Model A, B, or C out of the same location as an existing business, we expect that you will not need any leasehold improvement. If operating a Model B or C and if not starting out in an existing business location, we advise you to find a space needing minimal leasehold improvements. In some cases you may need to alter the interior of your Business before you open for operation (for example you may need to add electrical and plumbing to account for your equipment). The costs will vary widely and may be significantly higher than what is projected in the table above depending on factors such as to whether your location has proper electricity, plumbing for water and if the space needs to be divided into different work areas. The low end of this estimate for Models B and C represent operating out of an existing business location with electrical and plumbing already in place and the high end of this estimate for Models B and C represent the costs for adding electrical and plumbing to a space if you

intend to operate out of a small industrial or warehouse space includes expenses for minor build-out of the space. The high end of the estimate does not reflect the potential need to add bathrooms, fire sprinklers, fire alarms and add an HVAC system that entail mechanical, electrical and plumbing costs. You should investigate all these costs in the area in which you wish to establish a Recycled Granite™ business. You may be able to reduce the expense for space if you are able to occupy a space in an existing location that compliments another business as mentioned above. Whether or not any leasehold improvement expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement (Franchise Agreement Section XII.S and XII.T).

Note 6: Regardless of the model you operate, you must purchase products and supplies for the general operation of your Business as specified in the Operations Manual. You must purchase only approved products and supplies and you must purchase products that meet our specifications, which may change from time to time. The types of products and supplies include, but is not limited to: magnets, wine stoppers, adhesives, packing materials (such as boxes, bags, ribbons, bubble wrap, tape, etc.), safety equipment (such as: goggles, masks, gloves, etc.), cleaning and janitorial supplies in addition to general office supplies, a first aid kit, fire extinguisher, miscellaneous forms and other products or supplies as specified by us. You must purchase products and supplies that meet our specifications, which may change from time to time. We will provide you with written lists of approved products and supplies during training. All products and supplies must be purchased through us, our affiliates or approved vendors and/or suppliers, except all marketing and promotional materials and miscellaneous forms must be purchased directly from us. Whether or not any of the products and supplies is refundable depends on the terms of your invoice or purchase agreement (Franchise Agreement Sections XII.I and XX.I).

Note 7: You must have a reliable vehicle ("Vehicle") for your Business to pick up and transport materials. You can use or purchase any type of used or new Vehicle for your Business however we require that all Vehicles meet our appearance standards. We will provide you with a written list of Vehicle appearance standards during your initial training program. We do not expect that you will need to purchase a used or new Vehicle for your Business. The estimate is taking into account that you may be able to use your existing Vehicle so long as such Vehicle meets our specifications. The high end of the estimate is an estimated down payment for purchasing a used or new Vehicle which is approximately $2,500 per Vehicle. For models B and C, you may also need to lease a forklift, which is factored into the estimate of vehicle costs. Your costs for a new Vehicle may be reduced if you choose to lease rather than purchase. The purchase agreement price will vary from dealer to dealer, and the terms of your loan, including the interest rate and term, may vary depending on your credit worthiness, changes in credit markets and other factors which are not under our control. We can't give you any guarantees or make any representations as to the terms, conditions or otherwise of any financing for your Vehicle. You may elect to purchase additional Vehicles to keep up with the growth of your Business. Whether or not payments made for the purchase of your Vehicle is refundable depends on the terms and conditions offered by your dealer.

Note 8: If you use your own Vehicle and you want to advertise your business using graphics, we will we will provide you with specifications for vehicle graphics during the training program. We do not require you to put graphics on your Vehicle, but if you do, you must adhere to our standards. Whether or not payments made for vehicle graphics are refundable depends on the terms and conditions offered by the vendor (Franchise Agreement Sections XII.U and XX.H).

Note 9: You must purchase and maintain an inventory of approved uniforms for the operation of your Business. All uniforms must meet our specifications, which may change from time to time. You will need a minimum inventory of black t-shirts that incorporate our logo and approved graphics for your staff for your first month of operation. The number of t-shirts you will need will vary depending upon the number

of employees you hire. You are required to purchase all t-shirts, directly from us, our affiliates or approved vendors. This estimate does not include any shipping costs which (if applicable) are your responsibility. Expenses for uniforms may not be refundable depending on the terms of the invoice or the purchase agreement (Franchise Agreement Sections XII.F, XII.I, XX.H and XX.I).

Note 10: The Businesses are owner operated, so the salary requirements will vary. Model A is simply a retail store that will be run by the owner and may not need material handlers. For Models B and C, you may need to hire packagers and sorters. The high estimate represents a need to hire part-time material handlers, packagers and sorters.

Note 11: This estimated amount represents your first year of pre-paid insurance premiums that does not take into account workers' compensation insurance which may vary greatly by state, payroll and classification. For a Business where you operate out of the same location as an already existing business, insurance costs vary depending on insurance coverage you already have and will be able to maintain so long as your insurance coverage meets our specifications. You must obtain and keep general comprehensive liability insurance and product liability insurance (covers you for damages that result in injury from products that you distribute) with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or in amounts as we may require that reflects inflation, identification of new risks, changes in law or other relevant changes in circumstances. You must obtain All Risk property insurance that covers the assets of the Business, Business Interruption Insurance and automotive liability insurance with a minimum policy limit of $100,000 including uninsured motorist/minimum of $100,000 or what is in accordance with your state guidelines or an amount we reasonably specify. Due to varying factors that affect the cost of auto insurance, the cost of auto insurance is not included in this estimate. In general, the cost of insurance coverage will vary depending on the carrier's charges, terms of payment and your claims history (Franchise Agreement Section XIII).

You may need other insurance such as tenant's liability, statutory workers' compensation insurance (if applicable) and employer's liability insurance with minimum policy limits of $1,000,000 or an amount we reasonably specify, professional liability insurance (covers you for damages that you create that do not result in property or bodily injury), employee dishonesty insurance, employment practices liability insurance and property insurance are optional however we may require you to obtain this coverage in the future with liability limits of amounts we specify. We may change these insurance requirements on reasonable notice to you. There are no other insurance requirements. Whether or not any insurance premiums are refundable depends on the terms and conditions of your insurance policies.

Note 12: These figures are just estimates and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. Estimate includes minimum working capital for the start-up of your Business. This also includes estimates of miscellaneous start-up costs such as: rent for an additional two months (if applicable), purchasing additional equipment, product and supplies; fuel expenses, Vehicle maintenance, workers compensation insurance payments (if applicable), taxes, prepaid expenses, additional permits, legal fees, accounting fees and other miscellaneous costs.

Total Estimated Initial Investment. The total estimated initial investment is an estimate only of the range of start-up expenses you may incur. We relied on our principals' combined expertise when preparing these figures. The actual amount of funds you will need depends on a variety of factors, including: the time of year when you start your Business, the amount of equipment, products and supplies you purchase; if you purchase additional equipment, furniture or fixtures; if you purchase a used or new Vehicle, if you hire employees, prevailing wage rates, implementation of a marketing plan, your own management skill, economic conditions, competition in your area and other factors. The estimate of initial investment funds is based on owner-operated business incorporating operations in your existing retail business location or out of a small warehouse space and does not include salaries or benefits for full-time employees. As your

Business grows, you may choose to hire employees to carry out support service tasks.

These figures are just estimates and we cannot guarantee that you will not have higher costs. Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of one month (except as stated otherwise), with additional operating capital to be available as may be needed during the initial phase. These costs do not include your Royalty Fee payments and System Advertising Fee payments, which begin on your third month after your Business is open for operation (as described in Item 6). Royalty and System Advertising fee payments should be included in your projections of overall operations costs beginning with your third month of operation. We acknowledge that you may choose to invest additional funds into your Business during the first three months of operation, and sometimes longer, but we cannot estimate or promise when, or whether, you will achieve positive cash flow or profits. These amounts are estimates only and specific amounts will vary with local market conditions, which are outside our control. You should review the figures carefully with a business advisor and identify your individual expenses along with cash flow projections before making any decision to buy the franchise.

We do not offer financing, directly or indirectly, for any part of the initial investment for a Franchise. The availability and terms of third party financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have, and the lending policies of financial institutions. The estimate does not include any finance charges, interest, or debt service obligation, or your living expenses. You should have sufficient capital or other means to pay for your living expenses for at least twelve months.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We may offer or designate others to offer equipment, products, supplies or services and we may become approved suppliers or the only approved supplier(s) for these and other products and services. The equipment, products, supplies or services include: equipment (such as: wet saw, tile saws, our proprietary splitter machine, stone chiseler and other equipment as described in Item 7), furniture and fixtures, technology items (such as computer, printers, modems, etc.), products (such as: magnets, wine stoppers, adhesives, etc.), supplies (such as: packaging materials, safety equipment, cleaning supplies, etc.), uniforms, Vehicles, vehicle graphics, promotional merchandise, marketing materials and printed advertising materials, merchant service providers, shows and event marketing opportunities and vendor, co-branding, affinity programs. You cannot purchase unapproved equipment, products, supplies and services from any vendors and/or suppliers that are not on our pre-approved list without our written permission. We will provide you with: a written list of approved equipment, product and supplies you can use and offer for sale in your Business; recommended procedures and strategies when purchasing such items for your Business; and a written list of approved vendors and/or suppliers to purchase equipment, products, supplies and services from during our initial training program. You must purchase any equipment that you are required to use for the operation of your Business through us. You must also purchase all advertising, marketing and promotional materials and miscellaneous forms from us. As of the effective date of this Disclosure Document, all updates to such promotional and marketing materials are optional, but we may in the future mandate that you purchase certain updates at your expense. We require this in order for you to sell products and offer services from our approved products and services. We do not require you to maintain a specified inventory of equipment, products or supplies to operate your Business, although we retain our rights to do so in the future. If we develop proprietary products or software in the future, you must purchase such products and software from our approved suppliers,

affiliates or us. We may become approved suppliers or the only approved supplier(s) for other equipment, products, supplies and services. We negotiate purchase agreements with vendors on the approved suppliers list for your benefit in the areas of cost and customer support. There are no supply contracts at this time. We

will inform you by email or by any other form of communication within 30 days of our modification of any specifications, as well as any decision on our part to discontinue the use of any piece of equipment, products or services.

US Greenworks, LLC, which is our affiliate and owned by our ~~President~~Founder & CEO Julie Rizzo, was previously the only approved vendor and supplier for all equipment and display towers to be purchased by franchisees for the operation of a Business. US Greenworks received ~~$24,000~~$8,000 in revenue from purchases for such items for the last fiscal year, which amounted to ~~31~~14.7% of our affiliate's total revenues.

You are required to adhere to the standards and specifications established periodically by us with respect to your Business (referred to as the "Shop"), production, products and services offered, supplies and equipment used; operational procedures, uniforms, web page, Vehicle appearance, vehicle graphics, advertising, vendors and suppliers used in the operation of your Shop. You must operate the Business in strict conformity with the methods, standards and specifications that we prescribe in the Operations Manual or otherwise in writing. You must maintain in sufficient supply, use, sell and offer at all times only the equipment, products and services that meet our standards and specifications which may be amended by us periodically. All equipment, products and services must be purchased, used, sold and offered in accordance with the standards and specifications as specified in the Operations Manual or other written materials. You must not deviate from these standards and specifications by the use or offer of non- conforming equipment, products, supplies or services, without obtaining our prior written consent. You are not permitted to: use any equipment, products, supplies or services of an unapproved vendor; purchase equipment, products and supplies from an unapproved supplier; or sell and/or offer any other products or services or items not approved by us, unless you first submit a written request to us for approval and agree to be responsible for all product, vendor and equipment testing fees as described in Item 6. We will use our best efforts to advise you within thirty (30) days whether such equipment, products, supplies, vendors or suppliers are approved as further described in Item 8 below.

We base our specifications for equipment, products, supplies, vendor and supplier approvals on our discretionary determination of demand, relevance to the System, price, value, quality, reliability, accuracy of product claims, safety, warranty, prompt attention to complaints, financial stability, litigation against supplier, recall history, reputation, frequency of delivery, appearance and contributions or other benefits to us and/or any marketing fund. A written list of approved vendors and suppliers from whom all equipment, products, supplies and services may be purchased will be provided to you during our initial training program and may be amended by us periodically. We may require vendors and/or suppliers to provide certain information, sign a nondisclosure agreement, and agree to guarantee our level of quality and produce sufficient samples to allow us to test the sample at your expense. We may require you to submit to us sufficient specifications, photographs, drawings or other information and samples to determine whether the items meet our specifications. We may require third party testing, in which case you will pay the actual cost of the tests in addition to the product, vendor and equipment testing fee as described in Item 6. We may issue specifications in manuals or directives, in writing or orally, and we may modify them at any time. Our response to an adequate request to approve equipment, products, supplies, vendors and/or suppliers will be made within 30 days after we receive it in writing or by email. Approval may be revoked in our sole discretion where an approved piece of equipment, product, supply, vendor or supplier does not adhere to the specifications described above. We will notify you either by email or any other written form of communication of our approval, disapproval of or revocation of any prior approval of any product, supply, equipment, vendor or supplier.

You must produce, offer, sell and use only the products, services and equipment that we specify in writing which may be amended or modified by us periodically. If any product, piece of equipment, service, vendor or supplier is not authorized by us, you are prohibited from producing, offering, selling or using it in your Shop. You are not required to maintain a minimum inventory of products to offer for sale in your Shop however we retain the rights to do so in the future. If we require you to maintain a minimum inventory of products (currently not in effect) we will notify you by email or any other form of written communication and you will be given ninety days to comply with such requirements at your costs. We will provide you with a written list of: approved products you can produce out of your Shop; and approved products and services you are authorized to sell and/or offer in your Shop after signing the Franchise Agreement and during the initial training program. We will enforce these limitations by using "secret shoppers" or unannounced on-site visits to your Shop on a regular basis. When we make visits to your Shop, such as to assist you, we may also take that opportunity to visibly inspect your inventory and determine if unauthorized equipment or products are being used or sold. In addition, we expect to receive information from other Recycled Granite™ businesses or customers reporting that unauthorized equipment or products are being used or sold in your Business. You must permit us or our agents, at any reasonable time, to remove any product or piece of equipment from your Shop free of charge for testing by us or by an independent laboratory, to determine whether such items meet our then-current standards and specifications. Besides any other remedies we may have, we may require you to pay for the testing, as described above, if we have not previously approved the supplier of the item or if the product or piece of equipment fails to conform to our specifications. We reserve the right to take whatever action we deem necessary in our absolute and sole discretion to prevent you from using, offering or selling unauthorized equipment, products, supplies or services, including seeking injunctive relief or terminating your Franchise Agreement.

We may derive profit through markups of the prices charged to you for equipment, products, supplies, or services (as described above) we supply. We may derive revenue through license fees, commissions, promotional fees, advertising allowances, rebates or other monies paid by approved suppliers. We do not know the precise basis of these payments because we have never previously collected them. Nor do we know the actual percentage of our total revenues that such payments will amount to, as we have never previously collected such payments. If we require you to buy such items from us, we believe that the price and quality will be comparable to similar equipment and products from other sources. We may take a portion of that revenue to spend on advertising or place in a separate franchise advertising account. If we require you to buy equipment, products, supplies or services from a vendor that pays such allowances, we may spend all such fees on related advertising or place them in the separate franchisee advertising account, described in Item 11 below. If we don't require the purchase, we need not place such fees in a separate account or use them on advertising. We are not required to apply these funds to advertising or place them in a separate franchise advertising account, but will use our reasonable discretion in making such decision. No such revenues were received from required purchases made by franchisees in the prior fiscal year.

To maintain uniform quality standards all equipment, products, services, advertising, trademark usage, trade dress, dress code and other products and services you use to operate the Franchised Business must meet our standards and specifications as set forth in our Operations Manual. In addition, you must participate in and cooperate with promotional programs, guarantee programs, gift certificate or gift card programs we may establish and follow our requirements and guidelines. We will require you to use specific merchant service providers, software, operational forms, contracts, checklists and promotional items; and we may require you to use or contribute to specified merchant service providers and communications programs, promotional items, vendor discounts, allowances and rebates.

If you choose to operate out of a location, we maintain specifications for the construction and build out of your Business, leasehold improvements, storage, signage, vehicle graphics and décor to be used for the interior and exterior of your Business. You may not install or permit to be installed on the Business premises any décor items, signage, games, vending machines or other items without our written consent or that do not comply with our specifications. These specifications may include minimum standards for quality, performance, delivery, safety, durability, appearance, size, color, design, material and other characteristics. Some of these specifications are contained in our Operations Manual and others will be set forth in periodic written notices or email notices to our franchisees. In some cases, our specifications may involve confidential and proprietary information regarding the specifications of a piece of equipment and/or product specifications and such detail will only be made available to a supplier who agrees to sign a confidentiality agreement with us. We develop these specifications either through our research and development staff or with a particular manufacturer and these specifications may be modified periodically, through periodic written notices to our franchisees.

One of our primary methods of communication with franchisees is through announcements and/or newsletters we may periodically publish and an intranet system we will provide to franchisees on our website. You are responsible for knowing all of the information contained in the announcements and/or newsletters and the intranet system and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Business through our announcements or newsletters and intranet system as well as by written notices and emails described above.

All marketing and promotion of your Franchise by you in any medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements that we prescribe in our Operations Manual. You must submit samples of all advertising or promotional plans and materials (including videos) that you desire to use to us for approval if such has not been prepared or previously approved by us. You may not use any marketing or promotional materials (including photographs of jobs or video presentations) that we have disapproved. This includes any media or website promotion over the Internet to promote your Business. You must submit a request to us for any type of media or website and/or Internet promotion you wish to do in addition to any edits, changes or updates to your web page. Internet promotions, edits, changes or updates to your web page must be done by us, our affiliates or approved vendors with our consent. We will charge a fee for this approval (as described in Item 6). Upon approval of your request, you may be responsible for any website maintenance cost. Our response to your request for such advertising or promotional plans and materials (including video presentations) and Internet promotions, edits, changes or updates to your web page will be made within 30 days after we receive it. We will notify you by email or any other written form of communication of our approval or disapproval. In addition, you must not conduct any advertising without our written permission, in any Social Media such as Yelp, Twitter, Facebook, LinkedIn, Pinterest and others. You must also supervise your employees to assure they do not post any material on the Social Media sites or any internet sites, regarding the Franchisor or Franchise System whatsoever. We will provide you with our written standards and guidelines for using social networking sites during the initial franchise training program.

For your Business, you must have and/or purchase technology items, equipment, furniture and fixtures, products, supplies, uniforms, signage (if operating out of a location), Vehicle and vehicle graphics (if you choose to advertise your Business using vehicle graphics) for the operation of your Business. For a Business where you operate out of the same location as an already existing business you may be able to use your technology items, furniture and fixtures. You may also be able to use your existing vehicle so long as such vehicle meets our Vehicle appearance standards otherwise you will need to purchase or lease a new or used Vehicle for your Business. You may also be able to use your existing

vehicle so long as such vehicle meets our Vehicle appearance standards otherwise it is expected that you will need to purchase or lease a Vehicle (new or used) to operate your Business. We will provide you with a written list of Vehicle appearance standards during the initial training program. Vehicle appearance standards are outlined in the Operations Manual and are based on our sole judgment and discretion based on the experience of our company owned businesses. Failure adhere to all such Vehicle appearance standards may put you in default under your Franchise Agreement. For a Business where you operate out of the same location as an already existing business, it is estimated that all your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications which also includes shipping and delivery will be approximately 60%-85% of your total initial purchases, depending on whether you choose to purchase a Vehicle. For a Business not operated out of the same location as an already existing business, it is estimated that all of your initial expenditures from us, our affiliates or the vendors that we specify and/or approve that meet our standards and specifications which also includes shipping and delivery will be approximately 50%-60% of your total initial purchases also depending on whether you choose to purchase a Vehicle. During the operation of the Franchised Business, required purchases from us, our affiliates or the vendors that we specify and approve (not including royalties or labor costs) are estimated to represent approximately 5%-15% of your total monthly purchases in the continuing operation of your Business (depends on quantity of items you purchase and the number of customers you service).

We do not provide material benefits (for example renewal or additional franchises) to you based solely on your use of designated or approved sources. We do not belong or require you to belong to any purchasing or distribution cooperatives, although we retain the right to establish them and require your membership therein.

If you choose to open a location for your franchise under a lease, per the Franchise Agreement, you must submit the proposed lease to us for approval before it is signed. We have the option to require that the lease (i) be collaterally assigned to us by a collateral assignment agreement in a form and substance reasonably acceptable to us in order to secure performance of your liabilities and obligations to us or (ii) contain the following terms and conditions:

1. The lessor must agree that without its consent, the lease and your right, title and interest under the lease may be assigned by you to our designee or us (provided such assignment shall not relieve you of your obligations under the lease or cause us or our designee to have any obligations or liability under the lease).

2. The lessor must provide written notice to us (at the same time it gives such notice to you) of any default by you under the Lease, and we must have, after the expiration of the period during which you may cure such default, an additional 15 days to cure, at our sole option, any such default and, upon the curing of such default, the right to enter upon the leased premises and assume your rights under the Lease as if the Lease had been assigned by you to us.

3. You are required to furnish copies of all insurance policies required by the Franchise Agreement and by the lease to us, or such other evidence of insurance coverage and payment of premiums as we request or permit or under the lease.

Before you open a Recycled Granite™ for business, you must obtain the insurance coverage for the Business as specified below. The insurance coverage must be maintained during the term of the Franchise Agreement and provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property insurance, personal injury, advertising injury, completed operations and fire damage

coverage, in the amount of $1,000,000 per occurrence and $2,000,000 aggregate;

2. Property and casualty insurance that covers you for damages or losses to the Business with a minimum policy limit of $1,000,000 per occurrence or an amount we reasonable specify;

3. "All Risks" coverage for the full cost of replacement of the business premises and all other property in which we may have an interest with no coinsurance clause;

4. Product Liability Insurance that covers you for damages that result in injury from products that you distribute with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate or an amount we reasonably specify;

5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than $100,000 combined single limit or what is in accordance with your state guidelines;

6. Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners (including lost royalties, system advertising and other fees due to us and/or our affiliates), or attributable to prevention of access to the Business, with coverage for a period of interruption of 180 days and such longer period as we may specify periodically. Business interruption insurance is required with liability limits of amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners;

7. Professional Liability Insurance (optional) that covers you for damages that you create that do not result in property or bodily injury with a minimum policy limit of $500,000 or an amount we reasonably specify;

8. Crime insurance (optional) for employee dishonesty in the amount of $10,000 combined single limit;

9. Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement;

10. Employment practices liability insurance (optional) that covers you and your Business against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment and other employment related obligations;

11. Tenant's liability insurance;

12. Any other Insurance required by the state or locality in which the Business is located and operated, in such amounts as required by statute; and

13. Other insurance coverage, as we or the landlord may reasonably require.

With regard to any construction, renovation or remodeling of the Business (if applicable), you must maintain builder's risk insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers satisfactory to us. All of the policies must name us and our affiliates, as additional insured and must include a waiver of subrogation in favor of all those parties.

All insurance coverage shall be taken out in your name and shall name us an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of either the opening of your Business or 90 days following the date that the Franchise Agreement is executed. You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without 30 days prior written notice to us and that we shall receive at least 30 days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or us to each of us and our insurer.

The cost of insurance purchased in accordance with our specifications is expected to represent approximately 1% of your total purchases for a Business where you operate out of the same location as an already existing business, however this varies depending on the type of insurance you currently have in place; and will represent approximately 3% of your total purchases for a Business for which there is not an already existing location in connection with the establishment of your Business. These percentages do not include workers' compensation insurance that will vary with the payroll amount and category of employees.

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~~	~~Sections XII.S and XX.C. of Franchise Agreement~~	~~Items 7, 11 and 12~~
~~(b) Pre-opening purchases/leases~~	~~Section VIII of Franchise Agreement~~	~~Item 7 and 8~~
~~(c) Site development and other pre-opening requirements~~	~~Sections VIII, X.E, XII.T, XX.C. of Franchise Agreement~~	~~Items 6, 7, 11~~
Obligation	**Section In Agreement**	**Disclosure Document Item**
(a) ~~(d)~~ Site selection and acquisition/lease	Sections XII.S and XX.C. of Franchise Agreement Section VIII of Franchise Agreement Sections VIII, X.E, XII.T, XX.C. of Franchise Agreement Section XX.A. of Franchise Agreement	Items 7, 11 and 12 Item 7 and 8 Items 6, 7, 11 Item 11
(b) Pre-opening purchases/leases		
(c) Site development and other pre- opening		

requirements (d) Initial and ongoing training		
(e) ~~(e)~~Ope ning	Section IX.B. of Franchise Agreement	Item 11
(f) ~~(f)~~Fees	Sections IX and X of Franchise Agreement	Items 5, 6 and 7
(g) ~~(g)~~Compliance with standards and policies (Operations Manual)	Sections XII.A, XII.H of Franchise Agreement	Item 8, 11 and 16
(h) ~~(h)~~Trademarks and proprietary **Obligation** inform ation	Sections XV and XVI of Franchise **Section In Agreement** Agreement	Items 13 and 14 **Disclos ure Documen t Item**
(i) ~~(i)~~Restrictions on products/servi ces offered	Section XII.I. of Franchise Agreement	Items 8 and 16
(j) ~~(j)~~Warranty and customer service requirements	Not Applicable	None
(k) ~~(k)~~Territory development	Section VI of Franchise Agreement	Item 12
(l) ~~(l)~~On-going product/service s purchases	Section XII.I. of Franchise Agreement	Item 8
(m) ~~(m)~~Maintenance, appearance and remodeling requirements	Section XII.E. and Section XII J. of Franchise Agreement	Item 11
(n) Insurance	Section XIII of Franchise Agreement	Items 6 and 7
(o) ~~(o)~~Adv ertising	Sections X.B, XII.I, XII.L and XX.J of Franchise Agreement	Items 6, 7, and 11
(p) ~~(p)~~Inde mnification	Section XVIII of Franchise Agreement	Item 6

(q) ~~(q)~~Owner's participation/management/staffing	Sections XII.F, XII.K. of Franchise Agreement	Items 11 and 15
(r) ~~(r)~~Records/reports	Section XIV of Franchise Agreement	Item 6 and 11
(s) ~~(s)~~Inspections/audits	Sections XII.Q, XIV.B. of Franchise Agreement	Item 6 and 11
(t) ~~(t)~~Transfer	Section XXII of Franchise Agreement	Item 6 and 17
(u) ~~(u)~~Renewal	Section VII.B. of Franchise Agreement	Item 6 and 17
(v) Post-termination obligations	Section XXIV of Franchise Agreement	Item 17
(w) Non-competition covenants	Section XIX of Franchise Agreement	Item 17
(x) Dispute resolution	Section XXV.C. and XXV.D of Franchise Agreement	Item 17
~~**Obligation**~~	~~**Section In Agreement**~~	~~**Disclosure Document Item**~~
~~(v) Post-termination obligations~~	~~Section XXIV of Franchise Agreement~~	~~Item 17~~
~~(w) Non-competition covenants~~	~~Section XIX of Franchise Agreement~~	~~Item 17~~
~~(x) Dispute resolution~~	~~Section XXV.C. and XXV.D of Franchise Agreement~~	~~Item 17~~

ITEM 10
FINANCING

~~Neither we, nor our affiliate currently offers, directly or indirectly, any~~

We do not offer direct or indirect financing ~~arrangements to you. Neither~~, We do ~~we~~not guarantee your note, lease~~,~~ or ~~any other~~ obligation ~~for a single franchise~~. We may assist franchisees in obtaining financing in the future and we may decide to finance certain equipment packages or make other financing arrangements available to you. If we do, you will be free to accept or reject such financing.

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

Except as listed below, we are not provide any assistance to you under the Franchise Agreement.

Before you open your Business, we will:

(1) If you and we have not already agreed upon a site for your Business operations that meets our requirements, we may provide you with assistance in locating a site. Whether you choose to operate the Business out of an already existing business location or if you choose to open a location (such as a small warehouse), you select the site of your Business within the protected territory provided in the Franchise Agreement. We do not generally own the site and lease it back to you. We must accept the site if we feel in our total discretion that it meets or exceeds our standards, but our acceptance does not ensure that your Business will be profitable at the approved location. If we do not approve the site you will be given a second opportunity to locate a site. If we do not approve the second site we may terminate the Franchise. The factors that we consider in acceptance of the site include location, cost, competition, population density, demographics, traffic patterns, convenience, adequate parking, safety, zoning ordinances, neighborhood and physical characteristics of the premises such as size, configuration and layout. We evaluate each proposed site and accept or reject each one on a case-by-case basis and will notify you by email or any other form of written communication of our acceptance or rejection of any proposed site within 30 days after we receive your request (Franchise Agreement, Sections XII.S and XX.C).

Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your Business will be profitable or successful by being located at the approved site. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

(2) Insert the accepted site on your Franchise Agreement. However, the acceptance of a location and entering it on your Franchise Agreement by us is conditioned upon our determination, in our reasonable judgment, that:

(i) The site which you have submitted for the Business is within your allocated territory and is suitable based on criteria we establish periodically; and

(ii) You and your Owners are in compliance with the Franchise Agreement.

(3) Approve your execution of the lease for your Business, if applicable. You must submit the lease to us for our approval at least thirty days before you sign the lease agreement. You must send us a signed copy of the lease within five days of both parties signing the lease. We do not offer legal services to you and you should consult your independent legal counsel for a legal review of the Lease. The Franchise Agreement does not provide any time period for our approval or disapproval of your lease (Franchise Agreement, Sections XII.S and XX.C).

(4) Offer you guidance when obtaining licenses, certifications and applying for permits if required by your locality to operate the Business. It is your responsibility to comply with all laws, ordinances and regulations as you are ultimately responsible for obtaining all necessary approvals, certifications, licenses and permits to operate your Business (Franchise Agreement, Sections XII.C and XX.A).

(5) If you choose to lease a space for your Business, inform you of any mandatory specifications, architectural and design plans, floor plans, interior and exterior signage, décor, designs and layouts for the Business at the accepted location. We will provide you with guidelines for the layout and design of your Shop and you may need to hire an architect to create a complete set of drawings based on your building size and local permitting requirements. You will be required to conform your Shop to local zoning ordinances, regulations, fire, health and building codes. We may, if needed, review your final set of drawing. It is your responsibility to comply with all laws, ordinances, regulations, zoning and building codes for your Business (Franchise Agreement, Section XII.T and X.D).

(6) Provide you with a written list of Vehicle appearance standards. You are responsible for the cost of the Vehicle and the purchase, installation and cost of all vehicle graphics. We do not install any graphics on your Vehicles (Franchise Agreement, Sections XII.H, XII.I, XII.U, XX.A and XX.H).

(7) Provide you with: a written list of approved products and services you are authorized to offer and sell; a written list of approved equipment, products, supplies and services (as described in Item 8) that you authorized to use; a written list of approved vendors and suppliers to purchase equipment, products, supplies and services from; and a written list of approved products you can produce out of your Shop. We will also train you on strategies for purchasing such items for the operation of your Shop. You are responsible for the cost, delivery, installation and maintenance of these items as they are necessary for the operation of your Business. You are required to purchase all items listed above either from us, our affiliates and/or our approved vendors (Franchise Agreement, Sections XII.I, XX.A, XX.H, and XX.I).

(8) Provide you with specifications for all equipment and technology items (as described in Item 8) necessary to operate the Business. You are obligated to purchase, use and upgrade all equipment, technology items and any third party software necessary for the operation of your Business. We will deliver the specifications, but not the above items, and you are responsible for purchasing and installing these items (Franchise Agreement Sections XII.I, XX.A and XX.H).

(9) Provide you with all recommended guidelines for hiring and training employees in addition to general guidance. We will provide you with checklists, specifications and requirements when hiring and training employees; however, you are responsible for all the employees you hire and their behavior during the operation of your Business (Franchise Agreement, Sections XII.F, XX.A and XX.E).

(10) Offer certain training programs designed to assist you and your business management staff in the operation of your Business as further described below. We may also provide continuing education to any new manager of your Business. We may require that you, any Owner and any manager(s), or assistant manager(s) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement,

Section XX.A).

(11) Provide an initial training program, prior to opening your Business for operation, designated to assist you and your management staff in the operation of your Business, at no additional charge. The initial training program is designated for a maximum of three people per Franchise. If more than three people attend the training, we may impose a training fee of $250 per person for each day of training (Franchise Agreement, Section XX.A).

(12) Advise you of operating problems of a Recycled Granite™ franchise or company-owned business disclosed by reports submitted to us or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Franchise, as we deem appropriate. Such guidance and advice will include: how to secure materials, execute services, suggested pricing for products and services, equipment maintenance, efficiencies to manage high volume, customer service, hiring guidelines and operating procedures utilized by other franchises or company-owned businesses including new products and services; advertising, marketing and promotional strategies; record keeping, accounting methods and general operating procedures. Additional guidance and assistance may be made available to you at your written request and in our sole discretion at fees and charges established by us (Franchise Agreement, Section XX.A, XX.E and XX.K).

(13) Loan to you during the term of the Franchise Agreement one copy of our confidential Operations Manual, which may include one or more Manuals and other written materials for the operation of a Recycled Granite™ Business, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We have the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services you can sell and offer as well as changes in equipment, specifications, standards and operating procedures of a Recycled Granite™ business. Our Operations Manual will be made available to you through a document sharing website as we routinely update our Operations Manual with new photos and videos. You must keep the Operating Manual confidential and current, and may not copy any part of the Operating Manual. You will also be given access to our private chat board on Facebook, through which we communicate with our franchisees on a daily basis. The Operations Manual contains 295 pages and the table of contents of the Operations Manual that applies to as of our last fiscal year end is included with this Disclosure Document as Exhibit E (Franchise Agreement, Section XX.G).

(14) Approve or disapprove samples of all local advertising, marketing and promotional materials not prepared or previously approved by us which are submitted by you (Franchise Agreement, Sections XII.H, XII.L and XX.J).

(15) Deliver to you a web page for your Franchise operations that will include portals online for additional training, ongoing news bulletins and templates for advertising materials to support your Business (Franchise Agreement, Sections IX.A and XX.B).

(16) Approve or disapprove any promotions, edits, changes or updates to your web page. All modifications to your web page must be performed by us, our affiliates or approved vendors, and you will be responsible for all related costs (Franchise Agreement Sections XII.L and XX.B).

(17) Provide you with a startup kit (as described in Item 7) at no additional cost incurred by you (Franchise Agreement, Sections IX.A, XX.A and XX.B).

(18) Provide one day of assistance to you and your staff for either pre-opening or grand opening assistance at your Shop. Such assistance will be provided to you as part of our initial franchise training program and at our cost (Franchise Agreement Section XX.A).

During your operation of the Business, we may:

(1) Provide additional on-site supervision and assistance as we deem necessary and in our discretion. Additional visits are for the purpose of advising you with respect to our service standards, equipment, products and also production, operational and sales matters related to a Recycled Granite™ Business. You will be responsible for the transportation, room and board and miscellaneous expenses incurred by our personnel during the visits, which will take place per the terms of the Franchise Agreement, or at your request, and at times and dates selected by us (Franchise Agreement, Section XX.A).

(2) Provide to you and your personnel, Recycled Granite™ Franchise continuing education meetings at locations designated by us, which we expect to be at our headquarters with a fee not to exceed more than $250 per person per day and our expenses which can vary from area to area. We reserve to increase the per day fee a reasonable amount based on reasonable criteria (Franchise Agreement, Section XX.A).

(3) Conduct quarterly meetings or an annual convention at such place as shall be designated by us (Franchise Agreement, Section XX.A).

(4) Establish a franchisee elected peer group whose main purpose is to mentor and support each other.

(5) Provide to you an intranet system, free of charge, to answer questions from you or your staff (during regular business hours, Central Time Zone). In addition, you will be able to send us questions and suggestions using Internet email (Franchise Agreement, Sections XX.A).

During your operation of the Business we will:

(1) Continue to consult with you at no additional charge regarding: equipment specifications and usage, products and services; production strategies, methods and techniques; customer service, industry developments, merchandising, sales, advertising and marketing. We will offer assistance, advice, guidance and experience to you to resolve operational problems

that you may encounter outside the scope of the Operations Manual (Franchise Agreement, Sections XII.W and XX.A).

(2) Provide you with updated and approved lists of: products and services you are authorized to offer; equipment, products, supplies, services, vendor and suppliers (as described in Item 8) that you can use, offer and sell in your Business; approved vendors and suppliers that you are allowed to use to purchase such items from; approved products you can produce out of your Shop; and Vehicle appearance standards. We will provide you with such specifications and guidelines, but not the actual items as you are responsible for purchasing these items. We will continue to review and approve or disapprove any piece of equipment, product, supply, service, vendor or supplier you wish to use, offer or sell in the operation of your Business (Franchise Agreement, Sections XII.H, XII.I, XX.H and XX.I).

(3) Provide you with a list of updated minimum inventory requirements (currently not in effect) and you with suggested prices for products and services. We will establish minimum and maximum prices you can charge to the extent allowed by law. We will continue to research new products and services for the System as we deem necessary (Franchise Agreement XX.K).

(4) Provide a telephone hotline, free of charge, to answer questions from you or your management (during regular business hours Central Time Zone). You will be able to contact us for questions, suggestions and guidance (Franchise Agreement, Section XX.A).

(5) Review and approve all advertising, marketing and promotional materials in addition to any promotions, edits, changes or updates to your web page that you submit to us (Franchise Agreement, Section XII.H, XII.I, XII.L, XX.B and XX.J).

(6) Provide continuing education to you and we may provide continuing education to any new manager of your Business as noted in paragraph 13 (iii) below. We may require that you, any Owners and any manager(s), or assistant manager(s) complete supplemental and refresher training programs during the term of the Franchise Agreement (Franchise Agreement, Sections XII.W and XX.A).

(7) Offer ~~to you~~ assistance in establishing and using administrative, record keeping and accounting procedures in accordance with our Operations Manual, and various policies communicated by us to you in writing from time to time (Franchise Agreement, Section XX.A).

(8) Provide you with all update and upgrade requirements for your equipment, technology items (as described in Item 8) and related software in response to changes in the Operations Manual or changes in our policies that are communicated to you in writing. You are required to purchase such items to operate your Shop. The costs for such items are approximately $25,000 to $28,000 for a Business where you operate out of the same location as an already existing business, or from $26,000 to $28,800 for a Business for which there is not an already existing location (see Item 7). We estimate that the annual cost of equipment, technology items and related software and/or hardware upgrades to be approximately $500 per year. We will provide you with all update and upgrade

requirements for our proprietary equipment however we are not obligated to provide any update and/or upgrade requirements to any third party equipment. If we develop proprietary software in the future, we will provide you with update and upgrade requirements however we are not obligated to provide any upgrades to any software programs that we do not own and license to you. We are not obligated to provide maintenance or repairs to any piece of equipment, technology item hardware or software that you use in the operation of your Business. We reserve the right to have independent access to all information that you store in any computer, laptop or software used for the Business (Franchise Agreement, Sections XII.H, XII.I, XX.A and XX.H).

(9) Reserve the right at our discretion to institute, maintain, and administer a System Advertising Fund (referred to as the 'Fund') to support ongoing technology and new equipment, product or service development to be made available to franchisees, and such national advertising (including media production costs) as we, in our sole discretion, may deem appropriate to promote Recycled Granite™ name to benefit all franchised businesses as described in Item 6. But, we do not use any monies in the Fund to solicit new franchisees. We will direct all such programs and will have sole discretion over the creative concepts, materials and endorsements and media used in such programs, and the placement or allocation of such programs. The source of the advertising will come from our in-house advertising department or may in the future from a national or local advertising agency. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. The advertising programs may be either national, regional or local at our sole discretion. We are not obligated to spend a specific dollar amount on advertising in your territory (Franchise Agreement, Section X.B).

(i) You will pay us .5% of Gross Revenues or a flat $50 (whichever is greater) per calendar month for the System Advertising contribution, paid to us, as designated in the Franchise Agreement. We may raise, discontinue or reduce the contribution, but your total contribution will not increase exceed 3% of your Gross Revenue and/or increase the flat fee to more than $25 in any calendar year for the term of the Agreement. Contributions are due by the fifth day of the month (for the prior month) which will start on the third month after your Business is open for operation then continues for the term of your franchise (as described in Item 6). Refer to Item 6 for the definition of Gross Revenue.

(ii) The contributions to the Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Fund and its programs, including conducting evaluation of new equipment, services, technologies, product development, market research, media production costs, preparing advertising, promotion and marketing materials, and collecting and accounting for contributions to the Fund. Usage of the Fund will include ongoing development of the national website and development of new equipment, products, supplies and services to be made available to franchisees. The media in which advertisements may be disseminated include print ads, signs, billboards, internet, radio and television and may be conducted on a regional or national basis. We may spend, on behalf of the Fund, in any fiscal year an amount greater

or less than the aggregate contribution of all Recycled Granite™ franchises in that year, and the Fund may borrow from us or others to cover deficits; or invest any surplus for future use.

(iii) In the future, we may form a franchisee-elected Franchisee Advisory Council or cooperative whose sole purpose is to advise on Fund usage and advertising policies. We retain all operational and decision making authority concerning advertising and the Advisory Council will serve only in an advisory capacity. The membership of any Franchise Advisory Council will be national in scope. The Advisory Council will not be separately incorporated, and therefore, it will not have any written documents. If one is formed, we will have the power to select and approve the members and to form, change, dissolve or merge the Advisory Council as described below.

(iv) Neither we nor any Franchisee Advisory Council undertake any obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by franchisees operating in such geographic area or that you or your Business will benefit directly or in proportion to your contribution to the Fund. Neither the Fund nor we shall be liable to you with respect to the maintenance, direction, or administration of the Fund, including without limitation, with respect to contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. When the Fund is established and activated, all Recycled Granite™ businesses owned by us, or any Owners must contribute to the Fund in the same proportion as all franchisees.

(v) Any businesses we own will vote in the same manner as franchisee members. We administer the fund, which is not audited. If contributions paid into the Fund are not spent in the fiscal year in which they accrue, we can use the remaining amounts for the same purposes in future years. All interest earned on monies contributed to the Fund may be used to pay advertising and technology development costs before other assets of the Fund are expended. Fund contributions are not used to sell additional franchises. We will prepare an annual un-audited statement of monies collected and costs incurred by the Fund and furnish it to you upon written request. All financial statements will be available 120 days after the end of our fiscal year. We reserve the right not to spend all of the funds in the System Advertising Fund in any one year and such funds may be accrued into the next year. In ~~2017~~2018, all System Advertising Fund amounts collected from franchisees in ~~2017~~2018 were used to provide social media advertising. The funds were paid to Facebook to obtain targeted social media advertising placement. The majority of funds collected from franchisees in ~~2017~~2018 were used for this purpose in the same fiscal year. A small portion of the funds collected from franchisees in ~~2017~~2018 remained in the System Advertising Fund at the end of the fiscal year and were used for the same purpose, targeted social media advertising through Facebook, in ~~2018.~~2019.

(vi) We expect to receive advertising and promotional allowances and fees from third party vendors and advertisers who enter into cooperative advertising programs with franchisees and us. For example, suppliers may pay promotional allowances for joint advertising promotional material. We may disclose the identity of vendors who pay the promotional allowances to you upon request. In addition, if we require

you to buy items from a vendor who pays these allowances, we may place the funds in the System Advertising Fund or spend it on related promotions. Our obligation to provide advertising and marketing will be limited in cost to the amount of contributions and promotional allowances from third parties actually paid into the System Advertising Fund.

(10) We do not now, but may require you to join, participate in and pay into, one or more franchisee marketing councils for your region, determined by the penetration area of local advertising media used (for example, the area of a regional newspaper's circulation). Because, we have not yet formed any franchisee marketing councils, we do not know how the area or the membership of any franchisee marketing council will be determined. Because we have not formed any franchisee marketing councils, we have not determined whether or not any of our company-owned businesses will be contributing to any advertising spent by any franchisee marketing council. In the event that we choose to establish a franchisee marketing council, we will be responsible for administering it. If we do create any franchisee marketing councils, they must operate in accordance with bylaws (or an operating agreement if it is a limited liability company). If we do create any franchisee marketing councils, the franchisee marketing council will prepare annual financial statements that you can review. We will have the right to form, dissolve, and merge any specific franchisee advisory council. We will administer any franchisee marketing council. Even though we have not yet formed any franchisee marketing councils, we may require that all franchisees within close proximity to a consumer show, convention or exhibition where product and services are being sold to participate in the cost and benefit of the event.

(11) You are not required to spend any minimum amount each month on local advertising and promotion for your Business.

You will not use any independent advertising or sales promotion programs in any media (including electronic) without our prior review and written approval. We will approve the materials you submit to us within 30 days, if we do not respond within such period all such materials will be deemed automatically disapproved. You will make reasonable efforts to participate in and cooperate with all advertising programs selected by us or by any approved group of franchisees, except that you need not follow or maintain any sales price or suggested pricing. You are responsible for any expenses of this independent advertising.

Unless we approve otherwise in writing, you may not establish a separate Website and you will only have one web page, as we designate and approve, within our website. The term "Website" includes: on the Internet and any World Wide Web pages, as well as other electronic sites (such as social networking sites like Facebook, Twitter, LinkedIn, Pinterest, Yelp, blogs and other applications). You must comply with our requirements regarding selling, advertising, discussing or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website for you (which we are not obligated to do), we will provide you with guidelines for establishing and maintaining such Websites and each of the following provisions will apply: (i) you may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, you must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work (except for social networking sites) must be performed by us, our affiliates or approved vendors (as

described in Item 8); (iii) you must not use or modify a Website (except for social networking sites) without our prior written approval; (iv) you must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; (v) if we require, you must establish hyperlinks to our website and other Websites; and (vi) we may revoke our approval at any time by providing written or email notice to you of such revocation.

(12) Require that you open your Business for operation no later than 90 days from the date you sign the Franchise Agreement. The typical length of time between the signing of a franchise agreement and the opening of a franchisee's business is three to eight weeks. Factors that may affect this length of time include: whether you already have a space in which to operate your Business, obtaining a location for your Business that is approved by us (if applicable), negotiation of a lease agreement (if applicable), time of year you open the Business, obtaining certifications and permits from your state (if applicable), satisfactory completion of our initial training program by you (or your Owners) and availability equipment, products and supplies necessary for you to begin operating your Business. If you choose to open a location (such as a small warehouse) for your Business, you must acquire or lease, at your expense, commercial real estate that is properly zoned for the use of your Business under the Franchise Agreement within the timeframe mentioned above. If opening a location, you must submit to us, in the form we specify, a copy of the location plan and other such information or materials we may require, together with an option contract, letter of intent, or other evidence of satisfactory to us which confirms your favorable prospects for obtaining the location. We will have 30 days following receipt of this information and materials from you to approve or disapprove the proposed location of your Business and will notify you of the same by e-mail or other form of written communication. Failure to open your Business for operation within 90 days from signing the Franchise Agreement (as mentioned above) will constitute a default under the Franchise Agreement, for which we may terminate the Franchise Agreement. Such default notice, under which we may terminate the Franchise Agreement, shall be given to you in writing.

(13) Before the opening of your Franchise, yourself, any Owner, proposed manager and/or key personnel you designate are required to attend the 3 day Franchisee training program at our corporate headquarters in Saint John, Indiana unless headquarters is moved. We maintain a regular calendar for the training program and the trainings are held approximately six to twelve times per year (or more frequent if needed). The training program is included in your Initial Franchise Fee for up to three individuals. You are responsible for all costs associated with attending the program such as travel, room and board.

(i) If any proposed manager does not satisfactorily complete our training program, we will notify you and you may then select and enroll a substitute manager in our training program. If, during the training program we determine, in our sole discretion, that you (or your managing partner, member or shareholders) are not qualified to manage a Recycled Granite™ Business, you can appoint someone else to be trained at your expense. If that person does not satisfactorily complete our training we have the right to terminate the Franchise Agreement. The criteria that we will use to determine whether or not we deem you (or your managing partner, member or shareholders) qualified to manage a Recycled Granite™ Business is you lack business experience; you lack financial experience; you are unable to read a balance sheet; your personality makes it difficult for you to obtain customers; or you do not have the appropriate state licenses to operate a Recycled Granite™

franchise. We will send you a written termination notice upon our determination of qualification.

(ii) After the completion of our training program by you and your key personnel, we can upon your request provide training to any new manager or key staff member of your Business for which an additional training fee of up to $250 per person per day may be required. The trainee(s) will be responsible for all costs related to attending training such as travel, room and board. In addition, we have the right to require that you (or such managing partner, member or shareholder) and any manager(s), assistant manager(s) and staff complete supplemental and refresher training programs during the term of the Franchise Agreement, to be furnished at our corporate headquarters (currently in Saint John, Indiana). There may be an additional cost for a supplemental and refresher training program. You are responsible for all costs associated with attending such training opportunities we may provide for you such as travel, room and board.

(iii) After the opening of your Business, we will provide to you and your personnel, access to information and support through our intranet system. Support may also be available from our professionals, and we may provide refresher training or continuing education programs either through phone, web based ("webinars"), video or at locations designated by us (most likely at our headquarters). Such refresher or continuing education sessions (other than by phone, webinars or video) may have a registration charge to you which will not exceed more than $250 per person per day plus our expenses. You are responsible for costs associated with you attending the programs such as travel, room, board and related expenses or our expenses if we come to you. The programs will normally not exceed two days and we expect to at least have quarterly programs subject to special need. The content will cover particular aspects including but not limited to: stone splitting and sorting processes, methods and techniques; best practices for hiring and training employees, standards for servicing customers, new equipment, products or services; trends in the industry, operational guidelines, safety, website and software developments, sales, marketing, administration and so forth. We may conduct an annual convention at such place as shall be designated by us for all franchisees but will most likely be at our headquarters. A registration fee for each participant may be required which we will work in good faith to maintain at our cost and you will be responsible for costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed $500 per person. The fees charged above may be increased a reasonable amount based on the increase of actual costs incurred by us.

(iv) We will provide training for you at any time prior to the opening of your Business (which means that training could be done right away after signing the Franchise Agreement or closer to when you open your Business for operation) as noted in the following training schedule. This training curriculum is fully detailed in the Operations Manual and will change periodically. Our training team will include directors from our Saint John corporate office, members of our website development team, members from our approved suppliers and service providers.

TRAINING SCHEDULE: AT CORPORATE OFFICES

Recycled Granite™ Franchise Training Program includes an Operations Manual, hands-on training, and demos. This training curriculum is fully detailed in the Operations Manual and will change periodically.

Training Program

The Operations Manual will detail all aspects of Franchise operations presented in training and serve as an ongoing reference. Updates to the Operations Manual will be made available to you through various means including online. All of the training sessions will be taught by a combination of Julie Rizzo who has over 20 years of experience in the construction industry; Sherrie Benkovich who has over 17 years of experience in the special needs industry; and Shane Petersen who has over 20 years of experience in the tile installation industry. Occasionally, different guest speakers may make an appearance at the training program to provide information about various pieces of equipment, products, supplies and services used and offered by us. For example, some speakers may be our employees, franchisees, vendors or industry experts.

Subject	Classroom Hours	On The Job Training Hours	Instruction	Location
The Recycled Granite Philosophy, Standards and Introduction	2 Hours	2 Hours 4 Hours~~4 Hours~~On The Job Training Hours	Presentation, demos and examples	Corporate headquarters in Schererville, Indiana; in Tucson, AZ, or as we otherwise specify
~~Subject~~	~~Classroom Hours~~	~~On The Job Training Hours~~	~~Instruction~~	~~Location~~
How to Secure Raw Materials and Transportation	1 Hour	~~6~~ 4 Hours	Operations Manual, Presentation and Various Speakers	Corporate headquarters in Schererville, Indiana; in Tucson, AZ, or as we otherwise specify

Equipment Specifications, Operation, and Safety Requirements	Classroom Hours~~2 Hours~~		Operations Manual, Presentation, Various Speakers and On The Job Training	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Color Blending,			Presentations,	Corporate
Subject			**Instruction**	**Location**
~~Color Blending,~~ Color Ratios and Sample Board Creation	2 Hours	6 Hours 1 Hour	~~Presentations,~~ Operations Manual, Various Speakers and On The Job Training	~~Corporate~~ headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Granite & Stone Remnant Training Sorting Stone			Operations Manual, Presentation, Various Speakers and On The Job Training	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Production, Quality Control & Approved Products to Make and Sell			Operations Manual, Presentation, Various Speakers and On The Job Training	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Pricing Guidelines, Dept. of Labor Time Test and Overcoming Objections		1 Hour	Operations Manual, Presentation and Various Speakers	Corporate headquarters in Saint John, Indiana or as we otherwise specify

Packing, Shipping and Delivering Products to Customers	3 Hours 2 Hours Classroom Hours		Operations Manual, Various Speakers, Presentation and On The Job Training	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Technology, Website and	~~2 Hours~~		Operations Manual, Various Speakers	Corporate headquarters in
~~Subject~~	~~Classroom Hours~~	~~On The Job Training Hours~~	~~Instruction~~	~~Location~~
Software Training*			and On The Job Training	Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
How to Build Referrals and Market Your Business Hiring and Managing Employees and Introduction to The		2 Hours	Marketing Plan Creation, Presentations, Operations Manual and Various Speakers Presentation, Operations Manual and Various	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify Corporate headquarters in Saint John, Indiana or as we otherwise
Subject		On The Job Training Hours	Instruction	Location
~~Hiring and Managing Employees and Introductio n to The~~ Green Abilities Program			~~Presentation, Operations Manual and Various~~ Speakers	~~Corporate headquarters in Saint John, Indiana or as we otherwise~~ specify

Various Record Keeping and Accounting Recommendation*	2 Hours		Operations Manual and Various Speakers	Corporate headquarters in Schererville, Indiana; in Tucson; AZ, or as we otherwise specify
Total Hours**	12 Hours	20 Hours		

*Additional software and record keeping training may be provided to you and performed by our approved vendors after the initial training above is completed.

**The actual hours of classroom and on-the-job training may vary. For example it may take less time to cover a subject in a smaller class than in a larger class.

Ongoing Training:

In addition to the initial training program mentioned above, we will provide assistance to you at your location for either pre-opening or grand opening of your Business. We will provide you with announcements and/or newsletters that will contain ongoing training relating to your Business. We will also provide you with access to additional or refresher training programs that may be conducted through the telephone, webinars or video training at no cost to you. In very rare instances, we may periodically require that you or your managing partners, members, shareholders, manager and/or employees complete additional or refresher training programs to correct, improve and/or enhance the operations of your Business. Such additional or refresher training programs may be conducted through the telephone, webinars, video training or at annual conferences. Anyone attending additional or refresher training programs (training other than by telephone, webinars or video training) will be subject to an additional training fee and all costs associated with attending the training program such as travel, room and board (as described in paragraph 13 (iii) above).

ITEM 12 TERRITORY

You must operate your single Franchise within the specific location identified in your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, our limited number of Members and company-owned businesses we operate or from other channels of distribution or competitive brands that we control. You are awarded a protected territory ("Territory") of a defined population as much as 500,000 persons which means it may be less than such amount. We reserve the right to grant a Territory that is larger or smaller than the population area defined above, in order to account for more densely or sparsely populated areas. We will determine your Territory based on the most recently published data from the U.S. Census Bureau (or other source as we may indicate to you). You will have the only Recycled Granite™ business within your Territory. You may not conduct business at any other site or sites (facility where you will operate your Shop) other than the accepted site that has

been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement. You may conduct business at off-site events (such as: community events, home shows, trade shows, promotional events, festivals, etc.) to sell products and/or perform services as long as such events are within your Territory. However, given unique circumstances, you may be able to conduct business at off-site events to sell products and/or perform services in unassigned geographic areas outside your Territory with written permission by us. We shall approve or deny your request, which approval is in our sole discretion, within three business days of receipt of your written request and will respond by email or any other form of written communication (as described below). In addition, you must not perform Target Marketing outside your Territory, as described below, and can directly market and solicit customers only within the accepted Territory that has been entered in your Franchise Agreement or made part of by an addendum attached to your Franchise Agreement.

We cannot establish either a company-owned business, franchise nor license another to locate a Recycled Granite™ business within your Territory identified in your Franchise Agreement during the term of the Franchise Agreement.

Your licensed Territory is determined by zip code, population, average household incomes, demographics of the surrounding area, our own assessment of business potential (such as new construction, number of builders, number of hotels and number of granite fabricators that are in the area), competition, market penetration or other conditions important to the successful operation of a Recycled Granite™ Business, as we deem appropriate and as identified in your Franchise Agreement. Your licensed Territory is determined by us once an area is chosen and will not be altered even if there is a population increase or decrease. Your Territory will not be affected by your sales volume, market penetration, or number of customers you service. Certain franchise territories, such as major metropolitan areas may have smaller territories of densely populated areas.

Whether you choose to operate a Model A, B, or C, and whether you operate out of a retail space, a small industrial space or a small warehouse, we must approve site within your protected Territory in which you intend to operate the Business in writing before opening for operation. You may not relocate your Business without our written consent, which we will not unreasonably withhold or delay.

You must submit a separate application for each Franchised Business to be established by you. You must pay the fee for each additional acquisition mentioned in Item 5 and are in compliance with all of the terms and conditions of the Franchise Agreement. We will evaluate your proposed location of any additional Recycled Granite™ Business based on the criteria mentioned in Items 11 and 12 above.

The Territory described above will affect where you and our other franchisees may sell products, provide services and solicit business. If other geographical areas are unassigned, we have the right to sell or assign it, or part of it, at any time, without notice to you and you might not have the right of first refusal or option to buy the territory that was formally unassigned. You may sell products to anyone from anywhere even if such customers live within another franchisee's territory so long as your sales do not result from any direct solicitation activities by you and the products you sell are being sold from your Business within your defined Territory. In addition, we may allow you and other franchisees or company- owned businesses to sell products and offer services through alternative channels of distribution (such as on Websites). If you are granted permission to sell products through an alternative channel of distribution, per our written approval, you may sell products to anyone from anywhere without compensation to the other franchisee or company-owned business. We, other franchisees and company-owned businesses reserve the same right to sell products to anyone from anywhere without compensation to you. Therefore, although you may be the only Recycled Granite™ business physically located in your Territory, you do not receive an exclusive territory. You are prohibited from soliciting and marketing in general to

customers by any means outside of your respective Territory and must not specifically engage in target marketing ("Target Marketing") of customers within the Territory of another Recycled Granite™ business (franchise and/or a company/affiliate owned business). Target Marketing means a concerted effort by a franchisee to solicit and obtain customers through any type of advertisement or marketing, directed at all or a portion of another franchisee's Territory. **We will use commercially reasonable efforts to enforce this requirement regarding Target Marketing if you or any other franchisee violates it.**

If you are asked to conduct business at off-site events or sell products and/or perform services in another geographical area in which there is another franchisee or company-owned business, you must immediately refer that request to the Recycled Granite™ business in that geographical area or directly to us. If the other franchise or company-owned business gives you permission to conduct business at such off-site event or determines it in the best interest of the customer for you to provide products or perform services, then you can immediately conduct business at such off-site event and/or service the customer. If there is not a Recycled Granite™ franchise or company-owned business in the geographical area in where a customer wants services then you can immediately service the customer. If there is not a Recycled Granite™ franchise or company-owned business in the geographical area in which you wish to conduct business at an off-site event you must submit a request to us asking to conduct business at such off-site events in the unassigned area and upon our written approval you can proceed. We shall approve or deny your request to conduct business at such off-site events or to sell products and/or perform services in other areas not owned by other franchisees or us, which approval is in our sole discretion, within three days of your written request. Our response to your request will be made by email or any other form of written communication. Approval may be revoked in our sole discretion. However you must be prepared to immediately cease conducting such off-site events, providing products or performing services in that unassigned area when it is purchased. We and other franchisees must refer off-site events and/or customers that are within your Territory to you and also reserve the same right to provide products and perform services for customers who may live within your defined Territory if it is determined to be in the customer's best interest.

If during the time of the Franchise Agreement, you are unable to promptly and properly provide products or services to any of your customers due to excessive work or other cause you must refer that customer to another franchise in the System, company-owned location or to us. If you fail to refer off-site events or customers as set forth herein, we will have the right to terminate the Franchise Agreement. For any default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to your protected status of the Territory, effective ten days after delivery of written notice to you. In addition, we may modify or eliminate completely, the Territory (Franchise Agreement Sections VI, XII.H and XXIII.F).

We encourage all Recycled Granite™ businesses, when owned by different individuals, to work out a referral relationship and an advertising strategy if they are within close proximity of each other (defined as being within a ten mile radius of each other). We must be notified of all such arrangements.

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to sell products and provide services to any business or organization which owns, manages, controls or otherwise has responsibility for locations in more than one area whose presence is not confined within any one particular franchisee's territory regardless of the contract amount of products to be provided or services to be performed (a "National Account"). After we sign a contract with a National Account, we may, at our option, provide you the option to provide products or perform services to businesses under the National Account contract. If we choose, or if you choose not to provide products or perform services to the National Account, we may direct the National Account to seek such products and

services from another franchisee or company-owned location even if the National Account is located within your Territory without compensation to you.

We reserve the right to issue binding policies to coordinate marketing councils and/or advertising cooperative programs. For example, we may require that all franchisees within close proximity to consumer shows, conventions or exhibitions where recycling and environmentally friendly or home improvement related products or services are being offered or sold to participate in the cost and benefit of the show. We intend to direct and coordinate all franchisee Internet advertising. All such programs and policies are our proprietary trade secrets. In such programs, we will require the customer that is acquired through such programs, to be served by the closest or other franchisee, and you will not be charged or receive any type of referral fee.

Any rights not expressly granted to you are reserved to us. Such rights reserved to us include, but are not limited to the right to:

(1) Advertise, market and sell Recycled Granite™ branded and trademarked products, services and equipment in your Territory;

(2) Advertise, offer and sell products and/or services to promote the System through the Internet and/or other similar venues no matter where the person is based to fulfill the demand in your Territory;

(3) Offer, sell or distribute anywhere products, services or equipment to persons located anywhere through any alternative or other channel of distribution, other than local business operations (franchised or owned by us) providing products and services under the Marks and System and on any terms and conditions we deem appropriate. We have this right whether or not we are using the Marks or System or are acting inside or outside the Territory designated on your Franchise Agreement;

(4) Develop, manufacture, produce and distribute any labeled product or piece of equipment that has been branded with our Mark or logo or different branded products and equipment through any outlet located anywhere regardless of its proximity to your Business (including, by way of illustration, discount stores, home improvement stores, over the Internet and/or electronic media and similar venues) and on any terms and conditions we deem appropriate. If we decide to distribute products or equipment, you will receive no compensation from us for such sales inside your Territory unless agreed otherwise in writing by us;

(5) Implement advertising cooperative programs which may allow us or others to solicit or sell to anyone located anywhere. We also reserve the right to issue mandatory policies to coordinate such advertising cooperative programs;

(6) Own and/or operate ourselves or authorize others to own and/or operate (a) any business located outside the Territory as designated on your Franchise Agreement, whether or not using the Marks and/or System, (b) any business anywhere, whether using the Marks and /or System or not, which is not substantially similar to the business franchised to you under the Franchise Agreement and/or (c) any business anywhere which does not use the Marks; and

(7) Acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, including arrangements in which we are acquired, and/or company-owned, franchised or other businesses (including your own Recycled Granite™ Business) are converted to another format, maintained under the System or otherwise. You will fully participate in any conversion subject to any person/entity merging with, or acquiring us, reimbursing you for reasonable costs directly related to the conversion.

We are not responsible for paying any compensation to you concerning the sale of our products, services or equipment by us over the Internet or other similar venues, by alternative means of distribution, advertising cooperative programs, outlets, businesses that are not substantially similar to the Franchised Business or any business that does not use the Marks. For clarity, the Franchise Agreement grants you no rights to sell products, offer services or sell and/or distribute products or equipment through any alternative channels of distribution (other than our approved list of channels of distribution) without our permission or share in any of the proceeds from our activities through alternative channels of distribution.

We have not established, and do not presently intend to establish, other franchises or company-owned businesses except as disclosed in Item 1 of this Franchise Disclosure Document, selling or offering products or similar services under a trade name or trademark different from Recycled Granite™ Marks.

ITEM 13 TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use the Marks in connection with the operation of your Franchise. Our principal trademark is "Recycled Granite" along with the design, as it appears on the first page of this Disclosure Document. We have the right to use and to license others to use the Marks and under any other trade name, trademarks, service marks and logos currently used or that may hereafter be used in the operation of the Business pursuant to a license agreement with Julie Rizzo, our founder. You must use the Marks only for the operation of your Franchise and in the manner authorized by us.

The mark and design "Recycled Granite" is registered on the principal register of the United States Patent and Trademark Office (referred to as "USPTO") bearing the registration number 4981185 dated June 21, 2016 owned by Julie Rizzo and is sublicensed to you. The word marks "Ecopavers", "Lazy Susan Liners" and "Going Green has Never Looked So Good!" are registered on the principal register of the USPTO bearing the registration numbers 4446827, 4631198 and 4790228 dated December 10, 2013, November 4, 2014 and August 11, 2015 respectively also owned by Julie Rizzo and sublicensed to you. We also claim common law rights in our trademarks based on our prior use. We do not yet have a federal registration for some of our trademarks. Therefore, some of our trademarks do not have many of the legal benefits and rights as a federally registered trademark. If our right to use the trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or material litigation involving the Marks. However, we have not filed any affidavits of use yet, which are required by the end of the fifth year of federal trademark registration, because some of our trademarks have not been registered for five years and others are not registered yet.

There are no effective agreements that limit our right to sublicense you the Trademarks, other than a sublicense to use the trademarks from Julie Rizzo. The Agreement may be terminated if we fail to follow the quality standards of Julie Rizzo. In addition, Julie Rizzo has the right to substitute alternative trademark for license at any time. Therefore, you may have to change the trademarks that you use in operating your

franchise business at your expense. The trademark license agreement will remain in effect for as long as we offer franchises, unless we are in default of the trademark license agreement.

There are no other agreements, other than the license agreement with Julie Rizzo currently in effect that significantly limit our rights to use or license others to use the Marks in any manner material to the System.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Marks, or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. We have the sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding.

We are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks of your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in, any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions with respect to a reasonable time after notice by us. You, in connection with the use of a new or modified Mark, may be required, at your own expense, to remove existing signs from your Shop (including on your Vehicle if applicable), and to purchase and install new signs and vehicle graphics in addition to all marketing and advertising materials. We have no liability to you.

There are no infringing uses actually known to us as of the Issuance Date of this Disclosure Document that could materially affect your use of the Marks in the State of Indiana or in any other state. You should understand that there could be other businesses using trademarks, trade names or other symbols similar to our Marks with superior rights to our rights. Before starting business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your business name.

All your usage of the Marks granted under the Franchise Agreement is nonexclusive, and we retain the right, among others: (a) to use the Marks in connection with selling products and equipment and offering services; (b) to grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; (c) to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you as described Item 12.

All your usage of the Marks and any goodwill you establish are to our exclusive benefit and you retain no right or rights in the Marks on the termination or expiration of your Franchise Agreement. You may not use the marks as a part of any corporate or trade name, nor may you use any trade name, trademark, service mark, emblem or logo other than the Marks, as we may designate periodically. You must prominently display the Marks on such items and in the manner we designate. You must obtain such fictitious or assumed name registrations as we require or under applicable law. You must identify yourself as the owner of your Franchise by placing your name on the business and on all vehicles, checks, invoices,

receipts, contracts and other documents that bear any of the Marks, and on all printed materials your name must be followed by the phrase "A franchise of Recycled Granite™" or such other phrase as we occasionally direct.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have a registered copyright for "Recycled Granite photos Sand Blend," which is listed on the register of the United States Copyright Office bearing the registration number VAu 1-282-830 dated March 31, 2016 owned by Julie Rizzo and is sublicensed to you. We do not have any pending copyright applications which are material to this Franchise. We do not own any registered patents or have any pending patent applications which are material to this Franchise; however we claim common law trade secret protection for several aspects of our System, products, services, equipment, methods, strategies, techniques, software, business procedures, photographs of projects, video presentations, website, design, décor, signage, Vehicle appearance standards, graphics contained on your Vehicle, manuals, workbooks and all related materials including advertisement and promotional materials although such materials may not have been registered with the United States Copyright Office. If we do obtain copyright registration on any of the above materials, we intend to renew our registrations. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in your Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of our copyrighted materials or trade secrets, or claim by any person of any rights in any copyright or trade secret which you become aware. We have the sole discretion to take such action, as we deem appropriate and the right to exclusively control any litigation, United States Copyright Office proceeding or other administrative proceeding. We may require you to discontinue use or modify any materials that may in our opinion infringe on the copyright, trade secret, or patent rights of any other person or business.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any copyrighted materials or trade secrets, and/or use one or more additional or substitute copyrighted materials or trade secrets, you must comply with our directions with respect to such modification, substitution, or discontinuation within a reasonable time after notice by us. We have no liability to you concerning substitution or modification of copyrighted materials or trade secrets.

We possess certain confidential information including knowledge of our: products, blend packages, services and equipment (including proprietary equipment); strategies for securing raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; specifications for equipment, products and supplies; customer service standards, vendor and supplier relationships; cost and pricing strategies; merchandising methods and techniques, inventory management systems, operational procedures, procedures for safety and quality control; build out and design specifications with custom furnishings, unique décor, color scheme and signage; guidelines for hiring, training and retaining employees including our proprietary Green Abilities Program; Vehicle appearance standards, website, intranet portal, software, Operations Manual, photographs of projects, video presentations, forms, contracts, record keeping and reporting methods; sales and marketing techniques,

community programs, advertising and promotional materials; systems and knowledge of, and experience in, the operation and franchising of Recycled Granite™ business (the "Confidential Information"). We will disclose Confidential Information to you during the our initial franchise training program, seminars, workshops, continuing education sessions (see Item 6 and Item 11) and conventions sponsored by us; in our Operations Manual, and in guidance furnished to you during the term of your Franchise Agreement.

If you or your partners, members, managers, directors, shareholders, employees, agents or independent contractors, develop any new service, product, piece of equipment, program, video presentation, concept, technique, formula, method, process or improvement in the operation or promotion of your Business, you are required to promptly notify us with all necessary related information, without compensation. However as a matter of corporate policy, we may create an incentive program to reward you, your partners, members, managers, directors, shareholders, employees, agents or independent contractors for any new service, product, piece of equipment, program, video presentation, concept, technique, formula, method, process or improvement that we implement throughout the System. You and if you are an Entity, then one of your owners acknowledges that any such new service, product, piece of equipment, program, concept, technique, formula, method, process or improvement will become our property and we may use or disclose such information to other franchisees as we deem appropriate.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Recycled Granite™ Business during the term of your Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of your Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosures to employees of your Franchise and any other business(es) owned by you and if you are an Entity any of your Owners, and the use of nondisclosure and noncompetition clauses in employment agreements with your employees and Owners.

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

The Franchise Agreement provides that your Business must at all times be under your direct, day-to-day, full time supervision (or if you are an Entity such as a limited liability company, partnership or corporation then a managing Owner of such Entity, approved by us) or the non-owner manager of your Business who is approved by us. This person must have successfully completed our training program.

You (or your managing Owner if you are an Entity or non-Owner manager) must use his or her best efforts in the operation of Recycled Granite™ Business.

You are required to retain a manager ("Shop Manager") for the operation and management of your Business. The Shop Manager may, but need not, be you or one of the Owners of the Business. The Shop Manager must meet all of our standards and criteria for such positions as set forth in the Operations Manual. The Shop Manager need not have any set percentage of the equity of the Franchised Business. These individuals and their replacements must also satisfy the applicable training requirements as outlined in the Franchise Agreement (Franchise Agreement Section XII.F).

Each of your employees, service providers, agents, principals and affiliates must sign a confidentiality agreement containing substantially the same protections as provided in the form agreement contained in the Operations Manual (although you are responsible for ensuring its adequacy and enforceability under local law). Our approval of a Shop Manager other than you is conditioned upon the Shop Manager entering into a confidentiality and restriction of like business agreement containing provisions like those contained in the Franchise Agreement and Schedule 8 of the Franchise Agreement against engaging in competing businesses and use/disclosure of our confidential business information during the tenure of employment with you and for a period of three years following employment by you. You will provide us with copies of the same upon request.

You may not employ any individual who is at the time or was at any time during the prior twelve months employed in a managerial, administrative, sales, production or service position by us or any of our affiliates or by another franchisee of ours without the prior written consent of us. As a condition to such consent, you may be required to compensate the former employer for the actual costs and expenses incurred by the employer in connection with the training of any replacement employee.

If you are an Entity, each of your Owners that holds more than 10% interest in the Franchise Business must personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached as Schedule 5 of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Due to the differing nature of markets across the United States, and because climate and geographic areas will vary, you will have a wide variety of possible locations in which to conduct business operations with our approval. You may not use the Recycled Granite™ Business for any other purpose than the operation of a Recycled Granite™ business, unless otherwise approved by us in writing. Alternative operation sites that may be approved can include for example incorporating your Business operations within the premises of an existing or complimentary business.

You must comply with all of our standards and specifications relating to: producing products, selling products and providing services; purchasing equipment, products, supplies, uniforms, Vehicles, vehicle graphics, technology items, software, signage, advertising and marketing materials, promotional items, miscellaneous forms and other items to be used, offered or sold in the Business (See Item 8).

You are required to produce and sell only approved products and offer only our approved services as specified by us which include: a wide variety of construction-related products (such as: pavers, tiles, split stone veneers, etc.), our proprietary blend packages and consumer products (such as: jewelry, wine stoppers, whisky rocks, murals, decorative elements, etc.) in addition to offering services to pick-up granite and stone remnants, consultation services, delivery services and other granite and stone re- purposing products and services as expressly authorized by us in writing or in the Operations Manual, or developed by us as a result of your pre-market entry study to meet the needs of your unique market, and

any updates to be incorporated in the Operations Manual periodically. You must not deviate from our standards and specifications of what you allowed to produce and sell in your Business without first obtaining our written consent. We will provide you with a written list of products and services you are authorized to produce, sell and offer during our initial training program. You must produce, sell and offer all products and services we specify; sell such products and perform services either from your Shop or at off-site events within your defined Territory; and you acknowledge that we allow you to sell products to anyone from anywhere so long as such sales do not result in Target Marketing (as described in Item 12). We, other franchisees, company-owned businesses and a limited number of Members reserve the same right to sell products to anyone from anywhere even if such person may live within your defined Territory without compensation to you. You acknowledge that this may create competition and you will not receive any compensation from us, other franchisees, company-owned businesses or Members if products are sold to customers who live within your Territory. You can sell products and provide services at any price and/or rate you establish however we will suggest pricing and rate strategy and will establish minimum and maximum prices and/or rates at which you may sell products and provide services to the extent allowed by federal and state laws. You may offer additional products and services that are unique to your area in an effort to blend in with your community; however you must obtain our written approval before such products and services are offered and the time to approve or deny your request is 30 days (as described in Item 8). You must discontinue producing, selling, offering and using any product, service or piece or equipment we may disapprove in writing at any time, whether such product, service or piece of equipment is currently in use. We may change and/or modify the types of products, services and equipment we authorize at any time. There are no limits on our right to do so. You may not produce or offer for sale any products or services not specifically approved by us in writing; and you may not independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights to sell any products or equipment inside or outside your Territory without our written consent.

In addition, you acknowledge that we may, in our discretion, allow you and other franchisees or company-owned businesses to sell products through an alternative channel of distribution (such as on the Internet or Websites) provided you adhere to our standards. You acknowledge that this may create competition and you will not receive any compensation from such sales made by other franchisees or company-owned locations. If we authorize you to sell products through alternative channels of distribution, all products sold must be from your Business. Unless otherwise approved by us in writing, you are not authorized to sell any products or services on the Internet, World Wide Web or in any other media, whether known or hereinafter invented.

You must participate in any gift certificate or gift card program we establish. You may not create or issue your own gift certificates or cards unless otherwise approved by us.

You must maintain proper certifications, permits and licenses to operate a Recycled Granite™ Business to produce and sell products and provide services in your area. You must not engage in any trade, practice or other activity that is harmful to our goodwill or reflects unfavorably on our reputation, that constitutes deceptive or unfair competition, or that is in violation of any applicable law or regulation.

You are encouraged to directly advertise and market to sell products and offer services to people located within your Territory. We place no restrictions upon your ability to sell products to anyone from anywhere provided you do so from your Shop or off-site events within your Territory and in accordance with our standards. However you are prohibited from conducting business at off-site locations in any other geographical area or through any alternative channels of distribution without our permission (see Item 12).

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the exhibits attached to this Disclosure Document. "FA" refers to the Franchise Agreement.

Provision	Franchise Agreement	Summary
~~a.~~ a. Term of the Franchise Agreement.	FA Section VII.A.	FA – 5 years
~~b.~~ b. Renewal or extension of the term.	FA Section VII.B.	FA – up to two (2) 5 year renewal terms if you meet certain term requirements.
~~c.~~ c. Requirements- ~~renew~~ renew	FA Section VII.B	FA – Written notice for you to renew, full compliance, ~~not in default under Franchise Agreement, Performance Standards satisfied, satisfied monetary obligations, sign then current form or new Agreement, execute general release, satisfy any then current qualifications and training requirements, upgrade Business and pay renewal fee. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.~~ not in default under Franchise Agreement, Performance Standards satisfied, satisfied monetary obligations, sign then current form or new Agreement, execute general release, satisfy any then current qualifications and training requirements, upgrade Business and pay renewal fee. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by ~~Termination by~~ you.	Section XXIII.D ~~Section XXIII.D~~	FA – If we have materially failed to comply with ~~FA – If we have materially failed to comply with~~ terms of the Franchise Agreement after 30 days' ~~notice.~~ notice.
~~e.~~ e. Termination by us without cause.	Not Applicable	We cannot terminate your FA without cause.
~~f.~~ f. Termination by us-	FA -Section XXIII.B and-	FA - We can terminate if you breach a material-

	~~with cause.~~	~~XXIII.C~~	~~provision of the FA or fail to open the Business.~~
	with cause.	XXIII.C	provision of the FA or fail to open the Business.
~~g.~~	g. "Cause" defined; ~~curable.~~	FA – Section XXIII.B	FA - Violation of health or safety laws upon 72 hrs. ~~notice; 5 days for failure to pay amounts owed; 30 days for all other defaults.~~
	curable.		notice; 5 days for failure to pay amounts owed; 30 days for all other defaults.
~~h.~~	h. "Cause" defined ~~as noncurable.~~	FA - Section XXIII.C	Failure to open the Business, you fail to attend and ~~satisfactorily complete the initial training program; you fail to submit financial statements, tax returns, you use our names or marks on the internet without our prior written consent; you engage in unfair business practices; abandonment or surrender of control of Business; misrepresentation or omission in application; felony conviction; unauthorized assignment or improper assignment upon death or disability; loss of possession of Business; failure to pay taxes or liens; dishonest or unethical conduct; assignment for benefit of creditors; you fail to satisfy a final judgment within 30 days; and bankruptcy.~~
	~~Provision~~as noncurable.	~~Franchise Agreement~~	~~Summary~~satisfactorily complete the initial training program; submit financial statements, tax returns, you use our names or marks on the internet without
~~i.~~	~~Your obligations on termination / non-renewal~~	~~FA – Section XXIV~~	~~FA - Cease operating franchised business cease use of confidential information and Marks; deliver property containing~~you use our names or marks on the ~~Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants.~~
~~j.~~	~~Assignment of contract by us.~~	~~FA – Section XXII.C.~~	~~No restriction on our right to assign.~~
~~k.~~	~~"Transfer" by you definition~~	~~FA – Section XXII.B.~~	~~Includes transfer of the contract and business assets by you.~~
~~l.~~	~~Our approval of transfer by you.~~	~~FA – Section XXII.B. and XXII.E~~	~~FA – We have the right to approve all transfers by you.~~
~~m.~~	~~Conditions of our approval of transfer.~~	~~FA – Section XXII.C and XXII.E.~~	~~FA – Full compliance; transferee qualifies; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of Franchise Agreement; you sign and deliver other required documents, including a release.~~

~~n.~~	~~Our right of first refusal to acquire your business.~~	~~FA – Section XXII.C and XXII.E.~~	~~FA – We have the right to match any offers.~~
~~o.~~	~~Our option to purchase your assets upon termination or non-renewal.~~	~~FA – Section XXIII.G and XXIV.F.~~	~~FA – Purchase for fair market value determined by appraisal if parties are unable to agree.~~
~~p.~~	~~Your death or disability.~~	~~FA – Section XXII.D.~~	~~FA – Franchise must be assigned to approved buyer within 6 months.~~
~~q.~~	~~Non-competition covenants during~~	~~FA – Section XIX.B and XIX.C~~	~~FA – No involvement in any competitive business anywhere within ten miles of any company-owned~~

	Provision	Franchise Agreement	Summary
			our prior written consent; you engage in unfair business practices; abandonment or surrender of control of Business; misrepresentation or omission in application; felony conviction; unauthorized assignment or improper assignment upon death or disability; loss of possession of Business; failure to pay taxes or liens; dishonest or unethical conduct; assignment for benefit of creditors; you fail to satisfy a final judgment within 30 days; and bankruptcy.
i.	Your obligations on termination / non-renewal	FA – Section XXIV	FA -Cease operating franchised business cease use of confidential information and Marks; deliver property containing the Marks; cancel assumed or similar name registrations; pay outstanding amounts and damages; deliver manuals; assign phone numbers; comply with covenants.
j.	Assignment of contract by us.	FA – Section XXII.C.	No restriction on our right to assign.
k.	"Transfer" by you-definition	FA – Section XXII.B.	Includes transfer of the contract and business assets by you.
l.	Our approval of transfer by you.	FA – Section XXII.B. and XXII.E	FA – We have the right to approve all transfers by you.
m.	Conditions of our approval of transfer.	FA – Section XXII.C and XXII.E.	FA – Full compliance; transferee qualifies; all amounts due are paid in full; completion of training by transferee; transfer fee paid; transferee agrees to be bound by all terms of Franchise Agreement; you sign

			and deliver other required documents, including a release.
n.	Our right of first refusal to acquire your business.	FA – Section XXII.C and XXII.E.	FA – We have the right to match any offers.
o.	Our option to purchase your assets upon termination or non-renewal.	FA – Section XXIII.G and XXIV.F.	FA – Purchase for fair market value determined by appraisal if parties are unable to agree.
p.	Your death or disability.	FA – Section XXII.D.	FA – Franchise must be assigned to approved buyer within 6 months.
q.	Non-competition covenants during	FA – Section XIX.B and XIX.C	FA – No involvement in any competitive business anywhere within ten miles of any company-owned
~~r.~~	**Provision**	**Franchise Agreement**	**Summary**
	the term of the ~~Franchise.~~ Franchise.		business or other franchises.
r.	Non-competition covenants after the franchise is terminated or upon expiration	FA – Section XIX.B.	FA – No interest in competing business for two (2) years within ten miles of any company owned business or other franchises.
s.	Modification of the Agreement.	FA – Section XXV.J.	FA – No modification except by written agreement. Operations Manuals are subject to change.
t.	Integration / merger clause.	FA – Section XXV.J.	FA – Only terms of the Franchise Disclosure Document and Franchise Agreement are binding subject to state law. Notwithstanding the prior sentence, nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations Franchisor has made in the entire Franchise Disclosure Document. Any representations made outside of the disclosure document or the franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration.	FA – Section XXV.D.	FA – Arbitration and mediation in Lake County, State of Indiana (subject to State law).

v. Choice of forum.	FA – Section XXV.G.	FA – Litigation in Lake County, State of Indiana (subject to state law) or the United States District Court of Indiana.
w. Choice of law.	FA – Section XXV.G.	FA – State of Indiana laws apply (unless prohibited by laws of state where Franchise is located).
x. Liquidated Damages	FA – Section XXIV.H	FA – If the Franchise Agreement is terminated prior to its expiration date, you shall be obligated to pay Royalty fees and System Advertising fees based on the average royalty and system advertising fee payments made to Franchisor over the previous twelve months for either (i) the remaining term under the original (or renewal) term of the Franchise Agreement; or (ii) two (2) ~~(2)~~ years, whichever comes first.

ITEM 18
PUBLIC FIGURES

We currently do not use any public figure to promote our Franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Julie Rizzo, 1952 US Highway 41, Schererville, Indiana 46375 (219)313-1388, or the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System wide Outlet Summary For Fiscal Years ~~2015~~2016 thru ~~2017~~2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2015~~ 2016	~~0~~ 0	~~0~~ 12	~~0~~ +12
	2017	12	16	+4
	~~2015~~2018	~~+~~16	~~2~~17	+1
Company-Owned	2016	2	2	0
	2017	2	2	0
	2018	2	2	0
Members*	~~2015~~2016	~~158~~	~~80~~	~~-78~~
	~~2016~~2017	~~80~~	0	~~-80~~
	~~2017~~2018	0	0	0
~~Total Outlets~~	~~2015~~	~~17~~	~~10~~	~~-7~~

~~Outlet Type~~	~~Year~~	~~Outlets at the Start of the Year~~	~~Outlets at the End of the Year~~	~~Net Change~~
Total Outlets	2016~~2017~~	10~~14~~	14~~18~~	~~+4~~ +4

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2017	14	18	+4
	2018	18	19	+1

* Prior to Recycled Granite's ability to sell franchises, there were eight Members given the right to sell products and offer services using our proprietary equipment under Membership Agreements between Members and our affiliate US Greenworks, LLC, ("USG") as identified in Item 1. Members were offered the opportunity to terminate his or her Membership Agreement and become a Recycled Granite™ franchisee. Five members elected to enter franchise agreements. These now-franchisees are classified as franchisees on the listing for 2016 and their addresses and telephone information is listed in Exhibit G. Three members elected not to enter franchise agreements and are no longer Members and their addresses and telephone information is listed in Exhibit H. As of April 14, 2017, there are no remaining Members.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years ~~2015~~2016 thru ~~2017~~2018

State	Year	Number of Transfers
IN	~~2015~~2016	0
	~~2016~~2017	0
	~~2017~~2018	0
Total	~~2015~~2016	0
	~~2016~~2017	0
	~~2017~~2018	0

Table 3
Status of Franchise Outlets
For Fiscal Years ~~2015~~2016 thru ~~2017~~2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
AZ	~~2015~~2016	0	~~0~~1	0	0	0	0	~~0~~1
	~~2016~~2017	~~0~~1	~~1~~0	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	0	1
CA	~~2015~~2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
FL	2016	0	0	0	0	0	0	0
	~~2017~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
IL	2017	0	1	0	0	0	0	1
	~~2015~~2018	~~0~~1	0	0	0	0	0	~~0~~1
IN	2016	0	0	0	0	0	0	0
	~~2017~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~I~~ N	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2016~~2017	0	0	0	0	0	0	0
	~~2017~~2018	0	0	0	0	0	0	0
	~~2015~~2016	0	~~0~~1	0	0	0	0	~~0~~1

	20162017	01	10	0	0	0	0	1
KS	20172018	1	0	0	0	0	0	1
	20152016	0	01	0	0	0	0	01
	20162017	01	10	0	0	0	0	1
KY	20172018	1	0	0	0	0	0	1
	20152016	0	01	0	0	0	0	01
MI	20162017	01	10	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	20172018	1	0	0	0	0	0	1
MO	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
MO	20152018	01	0	0	0	0	0	01
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
MT	20152018	01	0	0	0	0	0	01
	2016	0	1	0	0	0	0	1
	2017	1	1	0	0	0	0	2
NC	2018	2	0	0	0	0	0	2
	20152016	0	0	0	0	0	0	0

~~T~~ N S C	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
~~T~~ X T N	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2016~~	~~0~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	~~2017~~20 18	~~2~~1	0	0	0	0	0	~~2~~1
	~~2015~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~V A T X~~	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	~~2015~~20 18	~~0~~2	0	0	0	0	0	~~0~~2
~~W A V A~~	2016	0	~~1~~2	0	0	0	0	~~1~~2
	2017	~~1~~2	0	0	0	0	0	~~1~~2
	2018	2	0	1	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
WA	2016 2017 2018	0 1 1	1 0 0	0 0 0	0 0 0	0 0 0	0 0 0	1 1 1
Totals	~~2015~~2016	0	~~0~~1	0	0	0	0	~~0~~1
	~~2016~~2017	~~0~~1	~~1~~	0	0	0	0	~~1~~
	~~2017~~2018	~~1~~	~~2~~	~~0~~1	0	0	0	~~1~~

Table 4 Status of Company-Owned Outlets For Fiscal Years ~~2015~~2016 thru ~~2017~~2018

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
IN	~~2015~~ 2016	2	0	0	0	0	2
	~~2016~~ 2017	2	0	0	0	0	2
	~~2017~~ 2018	2	0	0	0	0	2
Totals	~~2015~~ 2016	2	0	0	0	0	2
	~~2016~~ 2017	2	0	0	0	0	2
	~~2017~~ 2018	2	0	0	0	0	2

* "Company-owned Outlets" includes two non-franchised businesses, one of which is solely owned and operated by our founder, Julie Rizzo, the other is owned by Julie Rizzo and Sherrie Benkovich. These businesses are not part of the franchise system. The may be sold to others or to a franchisee in the future.
** Our fiscal year end is Dec 31. As of the date of this Disclosure Document; our affiliate operated two non-franchised businesses at the locations listed below:

Recycled Granite™ 1952 US Highway 41
Schererville, IN 46375

Recycled Granite™ Outlet
1952 US Highway 41
Schererville, IN 46375

Table 5 Projected Openings

For the Period Ending December 31, ~~2017~~2018

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Indiana	0	2	0
California	0	2	0
Totals	**0**	**4**	**0**

A list of the names of all franchisees and the addresses and telephone numbers of their Recycled Granite™ business are listed as Exhibit G to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal Year ~~2017~~2018 or who has not communicated with us within 10 weeks of our application date is attached as Exhibit I.

If you buy this Franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

At this time, there are no previously owned Recycled Granite™ franchised outlets for sale.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchised system.

At this time, there are no trademark specific franchisee organizations representing Recycled Granite™ franchisees, and no such trademark specific franchisee organization has asked us to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Our certified, independent and audited financial statements for the period from ~~our date of formation May 29, 2015~~December 31, 2016 to December 31, ~~2017~~,2018, are attached to this Disclosure Document as Exhibit J. Our fiscal year end is December 31. ~~We have not been in business for three years or more and cannot include all financial statements required by the Federal Trade Commission franchise rules for our last three fiscal years.~~

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Franchise Agreement - Exhibit A

Schedule 1 – Authorization for Pre-Arranged Payments
Schedule 5 – Individual Guaranty

Schedule 7 – Collateral Assignment of Lease
Schedule 8 – Confidentiality and Non-Compete Agreement
State Addenda – Exhibit D
Option Agreement – Exhibit F

ITEM 23 RECEIPTS

Included as the last document of this Disclosure Document (Exhibit K) and/or as a separate executable form, is a Receipt to be signed by you. This Receipt must be signed and dated and delivered to us at least 14 calendar days before signing of the Franchise Agreement or payment of any fee by you.

EXHIBIT A

FRANCHISE AGREEMENT

Between

Recycled Granite Franchise, LLC

and

_____

Franchisee

Recycled Granite®

FRANCHISE AGREEMENT

Between

Recycled Granite Franchise, LLC

1952 US Highway 41 Schererville, IN 46375 Direct: (219) 313-1388 Toll Free: (800) 692-4642 Fax: (219) 627-2011 Web: www.RecycledGranite.com

and

_____

_____

_____

Collectively referred to as "Franchisee"

Recycled Granite Franchise, LLC FRANCHISE AGREEMENT

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Recycled Granite Franchise, LLC
FRANCHISE AGREEMENT

PARTIES

THIS FRANCHISE AGREEMENT ("Agreement") is made by and between Recycled Granite Franchise, LLC, an Indiana limited liability company, hereinafter known as "RGF" or "Franchisor" and the person or entity named above, hereinafter known as "you" or "Franchisee." If the Franchisee is a corporation or limited liability company, partnership or other entity, certain provisions of this Agreement also apply to your shareholders, members, partners or owners. Any such entity may be referred to as an "Entity" and those who own the Entity may be referred to as "Owners." For ease of reference, Recycled Granite Franchise, LLC will also be referred to as "we", "us" or "our" in this Agreement. The persons signing as Franchisee or Guarantors may be referenced to herein individually as "you" or "yours" or collectively as "Franchisee." The parties hereto are entering into this Agreement to evidence the agreement and understanding between the parties as follows:

RECITALS

WHEREAS, we have devised a uniform system to complement an existing business with a Recycled Granite™ business or to open a new startup business. Both models will use our proprietary equipment to produce and sell a wide variety of construction-related products (such as: pavers, tiles, split stone veneers, etc.), consumer products (such as: jewelry, wine stoppers, whisky rocks, murals, decorative elements, etc.) and our proprietary blend packages (hereinafter referred to as "Products") in addition to offering services to pick up granite and stone remnants, consultation services and delivery services (collectively referred to as "Services") at any Recycled Granite™ franchised location and other locations at our discretion (hereinafter referred to as the "Franchise", "Business" or "Franchised Business); and

WHEREAS, we identify our System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress, and other indicia of origin, including but not limited to the mark "Recycled Granite™" and all other trade names, service marks, trademarks and trade dress as are now designated (and may in the future be designated by us in writing) for use in connection with the System (the "Names and Marks" or "Names" or "Marks"); and

WHEREAS, we have entered into an exclusive license ("License Agreement") with Julie Rizzo for the right to use and sublicense to our franchisees the Names, Marks and other property in connection with the operation of a Recycled Granite™ business, and we have developed expertise (including confidential information) and a unique, distinctive and comprehensive system ("System") for the establishment and operation of a granite and stone recycling business; and

WHEREAS, we continue to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed thereunder and under our System, and to represent the System's high standards of consistent quality, appearance, and service; and **WHEREAS**, we have established substantial goodwill and business value in its Names and Marks, expertise and System; and

WHEREAS, we have the right to license a System, including expertise for conducting and operating a business under the Marks; and

WHEREAS, Franchisee desires to obtain a franchise from us for the right to use the Names, Marks and the expertise for operating a Recycled Granite™ business, and to obtain the benefits and knowledge of our System including, but without limitation: our Products, Services, proprietary equipment strategies for securing local raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; purchasing strategies, vendor and supplier relationships, cost and pricing guidelines, vehicle appearance specifications, customer service standards and procedures for safety and quality control; proprietary marketing, advertising, promotional and community programs, sales techniques and promotional materials (including photographs of projects and video presentations); record keeping and accounting methods, and in general a style, method and procedure of business operation utilizing the Names and Marks as a Franchisee of us; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by us, and Franchisee understands and acknowledges the importance of our high standards of quality, appearance, and service and the necessity of operating the Business in conformity with our standards and specifications.

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

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each Owner) hereby represents that it has conducted an independent investigation of our Business and System and recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will depend upon Franchisee's abilities as an independent businessperson. We expressly disclaim the making of, and Franchisee acknowledges that it has not received any, warranty or guarantee, express or implied, as to the potential volume, revenues, gross income, margins, profits or success of the Business contemplated by this Agreement. Franchisee further acknowledges that none of our employees, or agents has any authority to make any statement, warranty, or guaranty of the potential volume, revenues, gross income, margins, profits or success of the Business contemplated by this Agreement, and that we have expressly instructed all of our employees not to make any warranty, guaranty, statement, or representation regarding the potential volume, revenues, gross income, margins, profits or success of the Business contemplated by this Agreement. 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 we have advised Franchisee to have this Agreement reviewed by an attorney. Franchisee hereby releases us, our employees, shareholders, managers, our affiliated companies and agents from liability based on such representations or agreements, to the extent permitted by law or regulation.

The Franchisee acknowledges that we have not made, and does not hereby make, any representation or warranty as to potential revenues, income, margin, gross income, profits, volume or success of the Franchise or merchantability, performance, accuracy of informational content, system integration, quality of any computer programs that we may provide the Franchisee, condition, fitness or suitability for the Franchisee's purposes of any component of the System, or any other representation or warranty with respect to the System. We shall not be liable to Franchisee for, nor shall Franchisee's obligations hereunder be affected by, any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by the System, or by an inadequacy of the System for any

purpose, or by any defect in, the use or maintenance of, any repairs, servicing or adjustments of, or any interruption or loss of service or use of, the Business, or any loss of business, profits, consequential or other damage of any nature.

II. FRANCHISEE'S ACKNOWLEDGMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, including the Franchise Disclosure Document and attachments thereto. Franchisee further acknowledges that we have accorded Franchisee with ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee acknowledges that Franchisee has received a completed copy of this Agreement, attachments or schedules ("Schedules") referred to herein, and agreements relating hereto, as well as the balance of the Franchise Disclosure Document if any, at least 14 calendar days prior to the date on which this Agreement was executed or money was paid by Franchisee for the franchise.

Franchisee acknowledges that it has read and understands this Agreement, the Schedules and any agreements relating thereto, and that Franchisee has been advised by our representative to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by us or our agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by us. The only representations, warranties and obligations we have made are those specifically set forth in the Franchise Disclosure Document and this Agreement. Franchisee must not rely on, and the Parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that we will not provide or designate locations for Franchisee, will not provide financial assistance to Franchisee and we have made no representation that we will buy back from Franchisee any equipment, products, supplies, technology items (such as computers, printers, modems, etc.), furnishing and fixtures, signage or vehicle graphics (if applicable) purchased by Franchisee in connection with the Business, except where we are otherwise required by law or regulation to buy such items upon expiration or termination of this Agreement.

III. NO PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

We do not make or present and have not prepared Financial Performance Representations and have not made them as an exhibit to the Franchise Disclosure Document. Furthermore, we do not authorize any agent, officer, director or employee of us to make any financial performance representations.

Franchisee, and each Party executing this document hereto, acknowledges that neither we nor any of our officers, directors, employees or agents have made, and Franchisee has not received or relied upon, any express or implied oral, written, or visual information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that Franchisee might expect to achieve from operating the Business (defined as "Financial Performance Representations"), except as set forth in the Franchise Disclosure Document reviewed by Franchisee or its representatives.

IV. RELATIONSHIP OF THE PARTIES

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, the Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a franchise from us. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which we shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business. Franchisee is responsible for collecting and remitting social security, medicare, unemployment contributions and/or any other mandated county, state or federal obligations on behalf of its employees.

B. Franchisor Is Not In A Fiduciary Relationship With Franchisee

It is understood and agreed by the Parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. In addition, we shall not have any fiduciary relationship to the Franchisee by virtue of the facts that we may operate a System Advertising Fund (as defined in Section X.B of this Agreement).

It is understood and agreed that nothing in this Agreement authorizes the Franchisee, and the Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt, bond, indenture, promissory note or other obligation in our name; and that we shall in no event assume liability for, or be deemed liable hereunder or thereunder as a result of any such action; nor shall we be liable by reason of any act or omission of the Franchisee in its conduct of the Business or for any claim or judgment arising therefrom against the Franchisee or us.

The Franchisee represents, warrants and agrees as follows: the Franchisee is duly organized and is in good standing in all jurisdictions where legally required in order to carry on its business, has duly authorized the execution, delivery and performance of this Agreement and all other documents contemplated hereby, which are, or upon signing, will be binding on the Franchisee, do not and will not contravene any other instrument or agreement to which the Franchisee is party and there is no pending litigation, tax claim, lien, encumbrance or mortgage, proceeding or dispute that may adversely affect the Franchisee's financial condition or impair its ability to perform its obligation under the terms of this Agreement.

It is understood that Franchisee will have sole responsibility for its employees and all acts of its employees, and all employment-related decisions involving wages, benefits, hours of work, scheduling, hiring, firing, discipline, supervision, record keeping, withholding income tax, social security contributions, Medicare contributions, unemployment fund contributions and all other terms and all other terms and conditions of employment (as described in Section XII.F). Franchisee must disclose to each of its employees in writing, in a form approved by us in advance, that we are not a "joint employer" of the Franchisee's employees. The Franchisee acknowledges that we do not control the Franchisee's personnel policies, including establishing wage and hour requirements, hiring, firing, setting wages, disciplining, supervising and record keeping of employees.

V. FRANCHISE GRANT

We hereby grant to Franchisee, upon the terms and conditions herein contained and subject to this Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein for the right to operate a Recycled Granite™ Business that has been assigned a protected territory (referred to as the "Territory") as set forth in Section VI, with the right to use solely in connection with our Names and Marks, Products, Services, advertising and marketing methods, and our

System, as all may be changed, improved and further developed from time to time only in the accepted territory as set forth in Section VI and provided the Franchisee shall adhere to the terms and conditions hereof.

It is understood and agreed that, except as expressly provided herein or any other agreement is executed, this franchise grant does not include the right of Franchisee to sub franchise.

Except as provided in this Agreement, Franchisee shall be free to use the materials provided by us in the manner that Franchisee, in Franchisee's sole and absolute discretion, deems most appropriate for the operation of a Recycled Granite™ Franchise, provided that Franchisee shall not violate any applicable law, regulation, or provision of this Agreement in exercising such discretion.

VI. TERRITORY

Franchisee is not granted an exclusive territory. The Territory is a protected marketing territory as defined in this Agreement. The Franchise Business (referred to as the "Shop") shall be: within the State of _____ in the county(ies) of_____. If the actual Franchise Business address has not yet been chosen, the initial Territory will be defined from the following crossroads:_____and_____. The final Territory will be defined from the actual Franchise Business address once chosen.

The specific location ("Accepted Location") from where the Business will be operated will be:

_____

The Territory is defined by the following numbered zip codes:

_____,_____,_____,_____,_____,_____,
_____,_____,_____,_____,_____,_____,
_____,_____,_____,_____,_____,_____,
_____,_____,_____,_____,_____,_____;

The total population for the above zip codes is:_____

If the parties do not select a territory (area in which franchise wants to conduct business) prior to the signing of this Franchise Agreement, then it shall be entered at a later date, under the terms of this Agreement. Franchisee's failure to open the Business for operation within ninety (90) days after the

execution of this Agreement will permit us to terminate this Agreement, as provided in Section XXIII.C. The Territory, under the terms of this Agreement, is a defined population as much as 500,000 persons which means it could be less. We reserve the right to, in our sole discretion, change, modify or grant a territory that is larger or smaller than the population described above, in order to account for more densely or sparsely populated areas. The Territory will be determined with the approval of us at the time of the execution of the Agreement. All Products and Services must be produced, sold, offered and performed within Franchisee's Territory. Franchisee may conduct business at off-site events (such as: community events, home shows, trade shows, promotional events, festivals, etc.) to provide sell products and/or provide Services as long as such events are within Franchisee's Territory. However, given unique circumstances, Franchisee may be able to conduct business at off-site events to sell Products and/or perform Services in unassigned geographic areas outside its Territory with written permission by us. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within three (3) business days of receipt of Franchisee's written request and will respond by email or any other form of written communication (as described below). The Territory includes the specific location where the Business is

based (referred to as "Premises").

The term "Premises" means the location or locations of the Business from which one or more of the following are being performed:

a) The storage of any equipment, products, supplies and/or vehicles used in association with the Business;

b) Where employees produce Products and/or meet before performing Services;

c) Franchisee maintains one or more of the following: a telephone, fax, email or postal address of the Business at this location;

d) Franchisee advertises the address, telephone, fax or email address or any other contact information for the location;

e) Franchisee keeps accounting records for all or any part of the Business (excluding any office space or home office of any independent contractor accountant, or payroll service use by the Franchisee); and

f) The location is responsible for or generating more than 50% of the Gross Revenues. As defined in this Agreement, "Gross Revenue" shall include all revenue accrued from the sale of all Products and performance of Services and in, at, upon, about, through or from the Business, whether for cash, credit or for barter and regardless of collection in the case of credit, and income of every kind and nature related to the Business. Gross Revenue also includes fair market value for any Product or Service Franchisee receives in barter or exchange for its Products and Services in addition to all insurance proceeds and/or condemnation awards for loss of sales, profits or business. However, Gross Revenue shall not include: (i) service fees for credit card transactions; (ii) revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, (iii) gratuities paid by customers to Franchisee's employees; (iv) and the amount of cash refunds the Franchisee in good faith provides to its customers. The sale and delivery of all Products and Services away from the Premises is included in computing Gross Revenue.

If not determined when this Agreement is executed, Franchisee is responsible for selecting the site and location for the Premises within the designated Territory specified above and in accordance with this Agreement. Whether Franchisee operates out of the same location as an already existing business or starts a new business and whether Franchisee operates out of a retail space, a small industrial, or warehouse space, we must approve the site where you intend to operate the Business within your Territory before opening for operation, especially prior to Franchisee becoming obligated on a lease (if applicable). Unless otherwise approved in writing by us the Premises must be within Franchisee's Territory. Franchisee may not operate the Business from any other location including any business other

than a Recycled Granite™ Business within the accepted Territory that has been set forth in this Agreement or made a part hereof by an addendum attached to this Agreement.

During the term of this Agreement, we shall not establish or license another party or entity to establish, a Recycled Granite™ business within the Territory outlined above. If Franchisee decides to open additional Businesses and buys the rights to additional Franchises, then those separate franchise agreement(s) will dictate the terms of the applicable territory (a separate Franchise Agreement is required for each additional Business as defined in Section IX.D of this Agreement).

The size of the Territory (as described above), will be determined by zip codes, population, average household incomes, demographics of the surrounding area, business potential (such as new construction, number of builders, number of hotels and number of granite fabricators that are in the area), competition, market penetration or other conditions important to the successful operation of a Franchised Business as we deem appropriate. The boundaries of the Territory described above is determined by: zip codes, population base, density of population, growth trends of population and major topographical features which clearly define contiguous areas such as: rivers, mountains, major freeways and underdeveloped land. We determine the Territory, which is described above. Franchisee shall not relocate the Premises within its Territory, without our express prior written consent (specified in Section XXII.A). The Territory is not dependent upon achievement of certain sales volume, number of customers Franchisee services, market penetration or any other contingency.

Franchisee may be granted permission to conduct business at off-site events (such as: community events, home shows, trade shows, promotional events, festivals, etc.) to sell Products and/or provide Services in unassigned geographical areas outside its Territory (as outlined below) as long as such activities do not result from any direct solicitation activities by Franchisee and Franchisee must be prepared to refer the off-site event and/or customer to another franchisee when that unassigned area is purchased. Franchisee can sell Products to anyone from anywhere as long as such sales do not result from any direct solicitation activities by Franchisee. To clarify, Franchisee is prohibited from soliciting, directly advertising, promoting and marketing in general to anyone by any means outside Franchisee's Territory and cannot perform any target marketing ("Target Marketing") into any other Territory of another franchisee. The term "Target Marketing" means a concerted effort by a Franchisee to solicit and obtain customers by any type of advertising or marketing directed at all or a portion of another franchisee's territory, company-owned business or unassigned area. Franchisee acknowledges that Franchisee cannot perform any type of Targeted Marketing outside Franchisee's Territory. Franchisee is prohibited from selling Products through any alternative channels of distribution (such as on Websites as defined below) without our written approval. If Franchisee is granted permission to sell Products through an alternative channel of distribution, per Franchisor's written approval, Franchisee may sell Products to anyone from anywhere without compensation to the other franchisee or company-owned business. Our response to Franchisee's request will be made within thirty (30) days after we receive it, otherwise the request will be deemed disapproved. We, other franchisees and company-owned businesses reserve the same right to sell Products to anyone from anywhere even if such customers may live within Franchisee's Territory without compensation to Franchisee.

Franchisee must operate the Business, produce and sell Products and provide all Services within the Franchisee's Territory. Franchisee may conduct business at off-site events (such as: community events, home shows, trade shows, promotional events, festivals, etc.) to sell Products and/or provide Services as long as such events are within Franchisee's Territory. However, given unique circumstances, Franchisee may be able to conduct business at off-site events to sell Products and/or perform Services in unassigned geographic areas outside its Territory (areas that adjoin the Franchisee's Territory) with our written consent. We shall approve or deny Franchisee's request to conduct business at off-site events to Products and/or perform Services in the unassigned geographic areas, which approval is in our sole

discretion, within three (3) business days of receipt of Franchisee's written request. We will respond to Franchisee's request by email or any other form of written communication. If we fail to respond to Franchisee's request within said three (3) business day period, Franchisee's request shall be deemed denied. If we approve Franchisee's request to conduct business at off-site events to sell Products and/or perform Services in geographic areas that are unassigned, we reserve the right to sell or assign it, or part of that geographical area, at any time, without notice to another franchisee and Franchisee may not have the right of first refusal or an option to buy the territory that was formally unassigned.

If Franchisee is asked to conduct business at an off-site event or to provide Products and/or perform Services to customers who live in another geographical area (outside the Territory) in which there is another franchisee or company-owned business, the Franchisee must immediately refer the request to Recycled Granite™ business in that geographical area or to us. If the other Recycled Granite™ business (whether a franchise or company-owned business), gives Franchisee permission to conduct business at the off-site event or determines it is in the best interest for the customer if Franchisee provides Products and/or performs Services, the Franchisee can conduct business at the off-site event, provide Products and/or perform Services for the customer. We and other franchisees or company-owned businesses must refer off-site events and/or customers that live within Franchisee's Territory to Franchisee and also reserve the same right to conduct business at off-site events if Franchise grants permission, provide Products and/or perform Services to customers who live within Franchisee's Territory if it is determined to be in the customer's best interest. If there is not a Recycled Granite™ franchise or company-owned business in that unassigned geographical area, then Franchisee can conduct business at the off-site event, provide Products and/or perform Services as described above; however, Franchisee must be prepared to refer the customer to another franchisee when the unassigned area is purchased. If during the time of the Franchise Agreement, Franchisee is unable to promptly and properly provide Products and/or perform Services to customers due to excessive work or any other cause, Franchisee must refer that customer to another franchise, company-owned business or us. If Franchisee fails to refer off-site event and/or customers as described herein, we will have the right to terminate this Agreement, Section XXIII.C. For any default of this Agreement which triggers our ability to terminate, as an alternative to termination, we have the right, in its sole discretion, to modify or completely eliminate any rights Franchisee may have with respect to the protected status of the Territory, effective ten (10) days after delivery of written notice to Franchisee.

Franchisee acknowledges that it is in Franchisee's best interest to refer prospective customers to other franchisees in Recycled Granite™ system or us when, because of distance or excessive work, or for other reasons, Franchisee cannot promptly, properly and profitably provide Products or Services to customers. Franchisee agrees that Franchisee will not undertake any work that Franchisee is not capable of performing promptly and properly. If Franchisee is prevented by the terms of this Section VI from accepting more customers, Franchisee will refer such prospective customers to one or more other franchisees or company-owned businesses who are closest to those customers not being served or to us. Any referral that is provided to franchisees by us, the Franchisee will not be required to pay any type of referral fee.

We encourage Recycled Granite™ franchises, when owned by different individuals, to work out a referral relationship and an advertising strategy if they are within close proximity of each other (defined as being within a ten (10) mile radius of each other). We must be notified in writing of all such arrangements and give our approval.

We may, from time to time, establish certain programs for the benefit of franchisees and the System whereby Recycled Granite™ franchisees will be permitted to offer Products and Services in accordance with the specifications described in any particular program established by us. Currently in

effect are our Green Abilities Program (which is defined in Section XII.H of this Agreement) and our National Account program. The National Account program is defined as follows:

a) The term "National Account" means a special class of customers which may include but are not limited to large businesses, national organizations or non-profit organizations with outlets located in multiple territories and government agencies who on their own behalf or through agents, franchisees or other third parties owns, manages, controls or otherwise has responsibility for buildings or common-services in more than one location whose presence is not confined within any one particular franchisee's Territory regardless of the aggregate contract amount of Products and/or Services the Franchisee wishes to provide and/or perform or provide. Any dispute as to whether a particular customer is a National Account shall be determined by us in our sole and absolute discretion and our determination shall be final and binding;

b) We shall have the exclusive right, unless otherwise specifically delegated in writing, on behalf of ourselves, Franchisee and/or any other franchisees utilizing the proprietary marks, to negotiate and enter into agreements or approve forms of agreement to use the facilities of a National Account or to offer Products and Services to National Account customers, including any affiliate, company owned or franchised locations within the Territory;

c) Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of Products or Services to one or more National Account customer locations within the Territory, we will, if Franchisee is qualified and not in default under any terms of this Agreement and any Schedules, provide Franchisee the option to offer Products and/or perform Services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we in our sole discretion determine;

d) If Franchisee elects not to provide Products and/or Services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract, or fails to make an election within the time specified by us, of being offered the opportunity by us, we shall have the right, exercisable in our sole discretion, to:

   i. Provide directly or through any other affiliate, franchisee or company-owned business utilizing our proprietary marks, Products and/or Services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract; and/or

   ii. Contract with another party to provide such Products and/or Services to the National Account customer location(s) within the Territory on the terms and conditions contained in the National Account bid or contract between us and the National Account customer, utilizing our proprietary marks or any trademarks, service marks or trade names.

e) Neither the direct provision by us (or a franchisee, affiliate or agent of ours) of Products or Services to National Account customers as authorized in (i) above, nor if we contract with another party to provide such Products and/or Services as authorized in (ii) above, shall constitute a violation of Section VI of this Agreement relating to the exclusivity of the Territory, even if such Products and/or Services are delivered from a location within

the Territory. Franchisee disclaims any compensation for Products sold or Services performed by others in the Territory pursuant to this section.

Franchisee's rights in the Territory are exactly (and only) as expressly set forth in this Section VI. Except as expressly provided in this Agreement, Franchisee has no right to exclude, control or impose conditions on any specific locations, operation, or otherwise of present or future Recycled Granite™ (or any other brand) units or distribution channels of any type, franchised or company-owned, regardless of their location or proximity to the Business and whether or not they provide Products or provide Services to customers within the Territory. Franchisee does not have any rights with respect to other and/or related businesses, Products and/or Services, in which we or any of our related persons or entities may be involved, now or in the future.

We and any Franchisor-Related Persons/Entities expressly reserve all other rights, and can (along with anyone we designate):

1) Own and/or operate ourselves, and/or authorize others to own and/or operate:

   a) Any kind of business in the Territory, business which is not substantially similar to a Recycled Granite™ business, whether or not using Recycled Granite™ Marks and System; and

   b) Any kind of business outside of the Territory, including, without limitation, Recycled Granite™ businesses, whether or not using Recycled Granite™ Marks and System;

2) Advertise, sell or distribute Recycled Granite™ brand (or any other brand) Products, Services and equipment (whether or not competitive) to anyone located anywhere (including within the Territory) using any channel of distribution (including, but not limited to, discount club chains, home improvement stores or other similar venues and other channels of distribution such as television, mail, catalog sales, wholesale to unrelated retail outlets or over the Internet);

3) Develop or become associated with other concepts (including dual branding and/or other franchise systems), whether or not using Recycled Granite™ System and/or the Marks, and award franchises under such other concepts for businesses located and/or operating anywhere;

4) Acquire, be acquired by, sell our assets, sell our stock, membership units, or partnership units to, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), located anywhere. Such transactions may include (but are not limited to) arrangements involving competing businesses and brand conversions (to or from Recycled Granite™ Marks and System). You agree to participate at your expense in any such conversion as instructed by us;

5) We may choose in our Business Judgment (as defined in Section XXI of this Agreement) to advertise, sell and offer Products, Services and equipment through the Internet, World Wide Web and other similar venues (no matter where the customer is located) to promote the System. The Internet is a channel of distribution we reserve to ourselves exclusively, and Franchisee may not independently market on the Internet or conduct e-commerce without our prior written consent; and

6) Acquire any Websites utilizing a domain name incorporating our Marks and one or more of the words: recycle, granite, eco, shop, stone, choice, pavers, liners, repurpose, green, environment, energy, waste, remnants, scraps or service. The term "Website" includes the Internet and any World Wide Web pages, as well as other electronic sites (such as social networking sites like Facebook, Twitter, LinkedIn, Pinterest, Yelp, blogs and other applications). Franchisee shall not establish a Website on the Internet using any domain name containing the words listed above or any variation thereof. The Franchisee acknowledges that we have all right, title and interest in and to such domain names, web pages, and content, as we shall designate in the Operations Manual. Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information, or otherwise having a presence on a Website, regarding the Business. If we approve a separate Website (which we are not obligated to do), then each of the following provisions will apply: (i) Franchisee may neither establish nor use any Website without our prior written approval; (ii) before establishing any Website, Franchisee must submit to us, for our prior written approval, a sample of the proposed Website, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta-tags), in the form and manner we may require and all such work must be performed by us, our affiliates or approved vendors;
(iii) Franchisee must not use or modify a Website without our prior written approval; (iv) Franchisee must comply with the standards and specifications for Websites that we may periodically prescribe in the Operations Manual or otherwise in writing; and (v) if we require, you must establish hyperlinks to our website and other Websites; and (vi) neither Franchisee nor any of its employees shall post any information regarding us or the System, on any Website or any internet site, without our prior written approval, nor any disparaging statement either during or after termination or expiration of the Agreement. Further Franchisee shall monitor its employees to avoid them making any such postings. We retain the right to pre-approve Franchisee's use of linking and framing between the Franchisee's web page and all other Websites. The Franchisee shall within five (5) days, dismantle any blogs, frames and links between the Franchisee's websites and any other Websites, if and as requested by us.

We may provide Franchisee with options, rights of first refusal or similar rights to acquire additional franchises in other areas or areas contiguous to the Territory. Franchisee's Territory may be altered during the initial term only by mutual consent in writing from both Franchisee and Franchisor, except at time of transfer or renewal or for any default of this Agreement which triggers Franchisor's ability to terminate as described above.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The franchise herein granted for a Recycled Granite™ Franchise, shall be for a term of five (5) years commencing from the date of execution and acceptance (the "Effective Date") of this Agreement by us and subject to earlier termination as herein provided.

B. Renewal

Franchisee shall have the option to renew this Agreement for up to two additional terms of five (5) years each, provided we are still offering franchises at that time, and further subject to the following conditions, all of which must be met prior to renewal:

1. Franchisee shall give us written notice of its election to renew not more that twelve (12) months and not less than six (6) months prior to the end of the then current term. We will respond to Franchisee's written notice to renew no later than thirty (30) days after receipt of such notice by email or any other form of written communication;

2. Franchisee must not be in default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between us and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

3. Franchisee's right to renew is contingent on satisfactory performance of and full compliance with this Agreement and any renewal agreement. We may refuse to renew or extend the franchise if: (a) Franchisee has failed to use its best efforts to operate the Franchised Business to our satisfaction, as determined by us at our sole discretion; (b) the Franchise is terminable by law, regulation, or under this Agreement; (c) Franchisee fails to give timely written or email notice of its exercise of its renewal option; (d) we are withdrawing from franchising in the geographic market Franchisee serves; (e) Franchisee fails to satisfy our then-current standards for new franchisees or (f) Franchisee is in default of this Agreement.

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to us and our affiliates, if any, and shall have timely met these obligations throughout the previous term;

5. Franchisee shall execute, before the renewal term, our then-current form of Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement. Franchisor will not charge Franchisee any type of renewal fee for the population of the area outlined in Section VI or Territory above;

6. Franchisee's royalty rates will not start over after renewal. For all franchise renewals royalty payments may continue at the Franchisee's current royalty rate or be subject to the terms of the then-current form Agreement, as determined by us in our sole discretion;

7. Franchisee shall comply with our then-current qualification and training requirements;

8. Franchisee must execute a general release, in a form prescribed by us as described in Section XXIII.D of this Agreement, of any and all claims against us and our affiliates, and their respective officers, directors, agents and employees, if such release is not in conflict with any local, state or federal laws; and

9. Whether Franchisee operates the Business out of a retail space or out of a small warehouse space, Franchisee shall upgrade, remodel and/or refurbish the Business (both inside and outside) and maintain all vehicles in order to meet our then-current standards. Graphics, signage and all computers located on the Premises must be updated to meet our then-current requirements. All remodeling, modernization, redecoration, or replacements will be completed at Franchisee's expense in accordance with our specific standards and specifications.

VIII. FRANCHISEE'S INITIAL INVESTMENT

The Franchisee's initial investment will vary depending upon the location, time of year when

Franchisee starts business, amount of equipment, products and supplies Franchisee purchases; if Franchisee purchases additional equipment, furniture and fixtures, if Franchisee purchases a new or used vehicle, if Franchisee leases a location (such as a warehouse space) rather than operating out of an already existing retail space, if Franchisee hires employees, implementation of a marketing plan, Franchisee's management skills, economic conditions, competition in the surrounding area and other factors.

Franchisee hereby certifies that he or she has reviewed the estimated initial investment and start-up costs as detailed in the Franchise Disclosure Document and has sufficient cash resources available to meet said expenses. These start-up costs include the franchise fee.

IX. FRANCHISEE'S INITIAL FRANCHISE FEE / TIMING FOR OPENING

A. Initial Franchise Fee and Payment

By executing this Agreement, the applicant agrees to become a Franchisee and pay an Initial Franchise Fee in the amount of $25,000 for a Recycled Granite™ business. This Initial Franchise Fee includes an exclusive license to operate a Recycled Granite™ Franchise within a protected territory that serves a population of up to 500,000 persons, determined by zip code and census (with the final agreed upon Territory as described in Section IV of this Agreement). The Initial Franchise Fee includes a startup kit, a web page housed within our national website, a comprehensive three (3) day initial training program at corporate headquarters, operations manuals and one (1) day of assistance and guidance at Franchisee's location for pre-opening and grand opening assistance.

The Initial Franchise Fee per this Agreement is due upon execution of this Franchise Agreement. The Initial Franchise Fee is uniform as to all persons currently acquiring a Recycled Granite™ franchise as of the effective date of this Agreement, although this may change and the Initial Franchise Fee is non-refundable. The Initial Franchise Fee shall be paid in a lump sum in United States funds and shall be deemed fully earned and nonrefundable in consideration of administrative, training, and other expenses incurred by us in granting this Franchise and for our lost or deferred opportunity to franchise others, except as described above.

We have elected to defer the collection of initial franchise fees for each franchise to be located in Indiana until we have satisfied all of our pre-opening obligations to such franchisees. Initial Franchise Fees for Indiana franchisees are immediately due upon us providing all pre-opening assistance required under this Franchise Agreement.

For each franchise to be located in California, payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and Franchisee is open for business.

B. Time Limit for Starting Business

The Franchisee shall maintain the Business in accordance with the provisions and requirements of Section XII hereof, and must open the Business for operation (the "Opening") within ninety (90) days of the date of execution of this Agreement (the "Opening Date"). This includes securing a lease that has been approved by us (if Franchisee chooses to open a location such as a small industrial or warehouse space for the Business as described in Section XII.S). Prior to the opening, it is Franchisee's responsibility to obtain all necessary business licenses, permits and certifications needed to perform Services. We may grant Franchisee one sixty-day (60) extension past the allotted time within which to open the Business for operation.

Upon Franchisee's failure to timely satisfy the opening requirement within ninety (90) days from

the Effective Date, we may, at our sole discretion, terminate the Franchise and this Agreement and either retain all fees paid by Franchisee or return such fees less its expenses and cost, without breach of this Agreement as specified in Section XXIII.C.

During the term of this Agreement, the accepted Premises shall be used exclusively for the purpose of operating a franchised Recycled Granite™ business. In the event the Premises shall be damaged or destroyed by fire or other casualty, or be required to be repaired, Franchisee shall commence the required repair of the Premises within thirty (30) days from the date of such casualty or notice of such governmental requirement (or such lesser period as shall be designated by such governmental requirement), and shall complete all required repairs as soon as possible thereafter, in continuity, but in no event later than ninety (90) days from the date of such casualty or requirement of such governmental notice. The minimum acceptable appearance for the restored Premises will be that which existed just prior to the casualty; however, every effort should be made to have the restored Premises include the then-current image, design and specifications of a Recycled Granite™ business.

As between us and the Franchisee, the Franchisee shall bear the entire risk of any damage, loss, theft or destruction to the Premises from any cause whatsoever or requisition of the Premises by any governmental entity or the taking of title to the Premises by eminent domain or otherwise (collectively, "Loss"). The Franchisee shall advise us in writing within ten (10) days of any such Loss. No such Loss shall relieve the Franchisee of the obligation to pay Royalty Fees and all other amounts owed hereunder. In the event of any such Loss, we, at our option, may: (a) if the Loss has not materially impaired the Premises (in our reasonable Business Judgment), require that the Franchisee, upon our demand, place the Premises in good condition and repair reasonably satisfactory to us as mentioned above; or (b) if the Loss has materially impaired the Premises and is substantially destroyed (in our sole judgment), we may require the Franchisee to repair the existing Premises or find an alternative location within the Territory within thirty (30) days. We may extend this period an additional thirty (30) days at our discretion and failure of Franchisee to comply may result in termination of this Agreement. We may choose at our option if the Loss materially impairs the Franchised Premises, to relieve the Franchisee of all obligations under this Agreement, and the Franchisee must return to us the System (including all materials) and we have the first right of refusal to purchase all Assets (as described in Section XXIV.G), but any such purchase price will be reduced to account for the Loss the Franchisee incurred.

It is understood and agreed that, except as expressly provided herein or any other agreement is executed, this Agreement includes no right of Franchisee to sub-franchise.

C. Cooperation Required

Franchisee shall cooperate reasonably with us to ensure that the various actions occur, which is necessary to obtain acceptance by us of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by us regarding Franchisee's business and finances.

D. Establishing Additional Franchise Businesses

If Franchisee desires to establish and operate additional Recycled Granite™ businesses, we may in our sole discretion, grant Franchisee a license to operate additional Businesses for a reduced Franchise Fee of $15,000 per each additional Business subject to the payment of an option fee discussed elsewhere in this Agreement. Franchisee must meet minimum conditions: (a) Franchisee must satisfy our then- current qualifications and training requirements; and (b) Franchisee must execute our then-current franchise agreement.

X. OTHER FEES

A. Royalty Fees

In addition to the Initial Franchise Fee described in Section IX above, the following recurring or isolated payments are required to be made by the Franchisee. The Franchisee shall pay to us a "Royalty Fee" of a flat two-hundred fifty dollars ($250) per calendar month for the first twelve (12) months of the term of this Agreement commencing on the first (1st) month the Business is open for operation. Beginning in the thirteenth (13th) month of the term of this Agreement, Franchisee shall pay to us a Royalty Fee of two and a half percent (2.5%) of total Gross Revenues (as defined in Section VI) or a flat two hundred and fifty dollars ($250), whichever is greater for each calendar month for the remaining term of this Agreement. Franchisee's Business is deemed open for operation immediately after Franchisee completes our initial training program. The Royalty Fee is due on the fifth (5th) day of each month (for the prior month) and is to be received as we specify in writing. The Royalty Fee is uniform as to all persons currently acquiring a Recycled Granite™ Franchise and is nonrefundable. If the Franchise Agreement is terminated, Franchisee may be required to continue such royalty payments as described in Section XXIV.H.

Any payment or report not actually received by us on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to us under this Agreement, Franchisee shall pay us, in addition to the overdue amount, interest on such amount from the date it was due until paid at the lesser of the rate of 1.5% per month or the maximum rate allowed by the laws of the State in which Franchisee's business is located or any successor or substitute law (referred to as the "Default Rate"), until paid in full.

B. System Advertising Fee

Franchisee will pay a System Advertising Fee equal to a flat fifty dollars ($50) per calendar month to be paid in the same manner as the royalty obligation that begins on Franchisee's first (1st) month of operation and continues through the twelfth (12th) month of the term of the Agreement. Beginning in the thirteenth (13th) month of the term of this Agreement, Franchisee will pay a System Advertising Fee equal to one half a percent (.5%) of Gross Revenues or a flat fifty dollars ($50), whichever is greater, per calendar month to be paid in the same manner as the royalty obligation that begins on Franchisee's thirteenth (13th) month of operation and continues for the remaining term of the Agreement (as defined in Section X.A). The System Advertising Fee can be increased by us and such increase will not exceed more than three percent (3%) of Franchisee's Gross Revenue in any calendar year and/or more than twenty-five dollars ($25) per month increase to the flat fee minimum requirement in any calendar year. If we increase the System Advertising Fee, Franchisee will be given ninety (90) days' notice prior to such increase.

The System Advertising Fee is to be received by the Franchisor on or before the fifth (5th) day of each month for the prior month. This fee will be deposited into our System Advertising Account (the "Fund") for ongoing technology, new equipment and product development, and such national advertising (including media production costs) or public relations programs as we, in our sole discretion, may deem appropriate to promote the mark Recycled Granite™. The Fund may also be used for local franchisee group advertising or marketing and Franchisee advisory council expenses; local, regional, national or international advertising or marketing; administration of advertising and marketing (including salaries, accounting, collection, legal and other costs), related expenses and any media (including media production costs) or agency costs. We will direct all such programs, and will have sole discretion over the creative concepts, materials, endorsements and media used in such programs, and the placement or allocation of such programs. We reserve the right to determine in our sole discretion the composition of all geographic territories and market areas for the implementation and development of such programs. Recycled Granite™ businesses owned or operated by us will contribute to the same basis to the fund.

We may disclose the identity of vendors who pay promotional allowances to us upon request and only after Franchisee's signing an appropriate non-disclosure agreement. If we require Franchisee to buy items from a vendor who pays these allowances, we may do one of the following: (i) place all or some of the allowances in the Fund or (ii) spend them directly on related advertising. This does not apply to fees we receive from purchases that are not required to be made by Franchisee from a specified source. We are not obligated to spend more on advertising and marketing than the amount of the Fund. Any unspent balance in the Fund at the end of the year may be carried over to later years and used for the purposes described in this Agreement. Neither we nor any of our shareholders has any fiduciary duty to the Franchisee regarding any System Advertising Account.

Franchisee's failure to pay required advertising contributions is a material breach of this Agreement, subjecting Franchisee to all remedies at law and as set forth in this Agreement. We may delete Franchisee from advertising or marketing without notice if Franchisee fails to timely remit its System Advertising Fee.

C. Electronic Funds Transfer

We reserve the right to require Franchisee to remit fees and other amounts due to us hereunder via electronic funds transfer or other similar means utilizing our approved computer system or otherwise. If we notify Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by us and/or perform such acts and deliver and execute such documents including authorization, the attached Schedule 1 "Authorization Agreement For Prearranged Payments" for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure Franchisee shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest and related processing fees charged due thereon. Franchisee shall make funds available to us for withdrawal by electronic transfer no later than the due date for these payments. If Franchisee has not timely reported the Business's Gross Revenue to us (as defined in Section X.A) for any reporting period, then we shall be authorized, at our option, to debit Franchisee's account in an amount equal to (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Business's Gross Revenue was provided to us as required hereunder or (b) the amount due based on information retrieved from our approved computer system.

D. Web Page Maintenance and Promotion Fee

We, our affiliates and/or approved vendors will perform all website changes, updates, content revision and perform all web page promotions over the Internet for Franchisee. Franchisee will pay a rate of $65-$125 per hour (or current fair market rates) to us, our affiliates or approved vendors for such services. Any requests for changes, edits or updates to Franchisee's web page or any type of promotion over the Internet must be approved by us in writing and the work is to be performed by either us, our affiliates or approved vendors. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request by email or any other form of written communication. We may change such web page maintenance and promotion requirements, at its sole discretion, and Franchisee shall have ninety (90) days after receipt of Franchisor's written notice within which to adhere to the new web page maintenance and promotion requirements at Franchisee's expense, without any liability to us. If Franchisee fails to comply with our new website maintenance and promotion requirements within the timeframe mentioned above, such failure will be deemed a material breach of this Agreement subjecting Franchisee to all remedies at law and as set forth in this Agreement.

E. Product, Vendor and Equipment Testing Fee

Franchisee will pay a fee for our approval of any product, vendor and/or supplier or piece of equipment (to the extent not then on our list of approved products, vendors, supplier or equipment), that Franchisee wishes to sell or use in the operation of the Business which may also require third party testing. The fee is one hundred dollars ($100) for a single product, vendor and/or supplier that Franchisee wishes to sell, use and/or substitute in the Business. The fee is three hundred dollars ($300) or the actual cost incurred by us for any piece of equipment that Franchisee wishes to sell or use in the Business. We may waive these fees if the products, vendors, suppliers or equipment that the Franchisee selects meet our requirements and make it on Franchisor's approved list of products, vendors, suppliers or equipment for all franchise locations.

Franchisee must obtain our written approval for any type of equipment, products, supplies, services or vendors to be used in the Business (Section XII.I of this Agreement). We will have thirty (30) days following the receipt of Franchisee's written request to approve or disapprove proposed equipment, products, supplies, services or vendors. Such approval or disapproval shall be made by e-mail or any other form of written communication. Franchisee also acknowledges that the cost for third party testing is Franchisee's responsibility.

XI. FINANCING ARRANGEMENTS

Franchisee hereby acknowledges that financing is the responsibility of the Franchisee. We do not finance or guarantee the obligations of the Franchisee for a Recycled Granite™ Business. The Franchise Fee is due and payable upon execution of this Agreement and as set forth in Section IX.A of this Agreement.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of our System and adherence to our Operations Manual (the "Operations Manual" or "Manual"), in compliance with our standardized design and specifications for producing Products, performing Services, decor and signage (if applicable), vehicle appearance standards and uniformity of the Business are essential to the image and goodwill thereof. The Manual contains mandatory and suggested specifications for the Business, standards and operating procedures and further define Franchisee's obligations under this Agreement. We may change or add to the Manual to reflect changes in our image, specifications and procedures and methods of operation and will lend Franchisee copies of any changes or additions. Franchisee shall cooperate and assist us with any consumer or marketing research program that we may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, test marketing new Products, Services and equipment, purchasing a reasonable quantity of products or equipment to be tested, providing communication with us regarding such testing programs, the distribution, display and collection of customer surveys, customer comment cards, questionnaires, evaluations and similar items.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by us for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any other business other than that authorized pursuant to this Agreement, without our prior written approval. Neither Franchisee, nor any of our employees, may conduct any activity in the Business or in connection therewith which is illegal or which could result in damage to the Names and/or Marks or the reputation and goodwill of us. Franchisee

will not allow the Franchised Business to be used for any immoral, unethical, unauthorized or illegal purpose.

Franchisee must conduct all business through Recycled Granite™ Business unless otherwise approved by us in writing. Franchisee must disclose to us any pre-existing businesses and if Franchisee is converting their existing business into a Recycled Granite System™ Business Franchisee agrees to sign and deliver to us, along with a signed copy of this Agreement, the attached Schedule 2 "Pre-Existing Businesses" attached to this Agreement.

C. Comply With Laws

Franchisee shall comply with all federal, state and local laws, ordinances, consumer protection laws and regulations, wage and hour laws, labor laws, workers compensation and unemployment laws, zoning laws, transportation laws, health and safety ordinances and shall obtain and at all times maintain any and all governmental licenses, permits, industry specific licenses or certificates (if applicable), laws and regulations relating to occupational hazards and health ("OSHA") or that may be required for full and proper operation of the Business franchised under this Agreement in Franchisee's state of operation. Franchisee must also comply with: the Resource Conservation and Recovery Act of 1976, the Clean Water Act of 1977, the Clean Air Act, the Comprehensive Environmental Response Compensation and Liability Act and other similar federal, state and local laws and regulations. We are not aware of any laws, regulations or licensing requirements specific to producing Products for a Recycled Granite™ business because the work that is performed on granite and stone is very minimal and does not constitute fabrication. However, in Franchisee's state, province or county, there may be local codes, ordinances, statutes, laws or licensing requirements which regulate any type of modification made to granite and stone, as required in a Recycled Granite™ Business, and such regulations could affect the operations of the Business. Franchisee acknowledges that it is Franchisee's responsibility to comply with such laws and regulations at its own cost.

In addition, with respect to credit card transactions and customer information obtained through credit card usage, Franchisee agrees to diligently comply with all laws and rules regarding such usage and Franchisee will protect the privacy of credit card customers and must be at all times compliant with the payment card industry data security standards ("PCI Compliant"). Copies of all subsequent inspection reports, with the conduct of a Recycled Granite™ business which indicates the Franchisee's failure to meet or maintain governmental standards, or less than substantial compliance by the Franchisee with any applicable law, rule or regulation, shall be forwarded to the Franchisor within five (5) days of the Franchisee's receipt thereof. Franchisee agrees to indemnify us under Section XVIII of this Agreement which includes any claims arising out of Franchisee's failure to perform Franchisee's obligations as described above.

It is Franchisee's sole responsibility and absolute obligation to research all applicable federal, state and local laws and regulations governing the operation of a Recycled Granite™ Business. Currently there are no specific regulations for the operation of a granite and stone recycling business. Our standards may exceed any and all of the requirements of any laws and regulations. Franchisee must secure and maintain in force all required licenses, permits and certifications relating to the operation of a Recycled Granite™ Business and must at all times operate the Business in full compliance with all applicable laws, ordinances and regulations (including without limitation, regulations relating to fictitious name registrations, sales tax permits, fire clearances, safety, truth in advertising, occupational hazards, health, laws relating to non-discrimination in hiring and accessibility, worker's compensation and unemployment insurance). We make no representations or assurances as to what licenses, permits, certifications, authorizations or otherwise will be required for Franchisee in the Franchisee's Territory in connection with a Recycled Granite™ Business. We may provide assistance and guidance to Franchisee when obtaining permits,

certifications and authorizations; however, it is Franchisee's sole responsibility to identify and obtain all permits, certifications and authorizations necessary for operation. Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all Business activities.

Franchisee shall agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224 and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to the Franchised Business as may be required by law. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that Franchisee's indemnification responsibilities as provided in Section XVIII pertain to Franchisee's obligations hereunder. Franchisee agrees to sign and deliver to us, along with a signed copy of this Agreement, the attached Schedule 3 "Executive Order 13224 and Related Certifications".

A Recycled Granite™ Business can be operated out of an already existing retail space; however, Franchisee can choose to operate out of a new location (such as a small industrial or warehouse space). Franchisee's Business location is to be operated in compliance with all local, state and federal laws, including (without limitation) the American with Disabilities Act ("ADA"). Even though we may help to design the Business space, Franchisee is responsible for compliance with all applicable federal, State and local laws and regulations concerning access by customers with disabilities. Any required modifications to the Business are Franchisee's sole responsibility and expense. Franchisee agrees to execute and deliver to us an ADA Certification in the form attached to this Agreement as Schedule 4 before Franchisee opens the Business and to confirm and certify that the Business and any proposed renovations comply with the ADA requirements.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its owners, managers, partners, shareholders, officers, directors, agents, or employees, except as required in the performance of the duties contemplated by this Agreement, may disclose or use at any time, whether during the terms of this Agreement or thereafter, any confidential and proprietary information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, confidential matters, trade secrets, such as our: Products, Services, programs, equipment, supplies, strategies for securing raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; specifications for equipment, products and supplies; customer service standards, vendor and supplier relationships, cost and pricing strategies, merchandising methods and techniques, inventory management systems, operational procedures, procedures for safety and quality control; build out and design specifications with custom furnishings, unique décor, color scheme and signage; guidelines for hiring, training and retaining employees including our proprietary Green Abilities Program (as defined in Section XII.H); vehicle appearance standards, website, intranet portal, software, Operations Manual, photographs of projects, video presentations, forms, contracts, record keeping and reporting methods; sales and marketing techniques, community programs, advertising and promotional materials; proprietary information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about our Products or Services, including information relating to discoveries, ideas, purchasing, production, accounting, website development and design, marketing, merchandising or selling of Products and Services (collectively referred to as "Confidential Information" and further defined in Section XVI.A of this Agreement).

Franchisee further acknowledges that the Confidential Information was unknown to Franchisee prior to negotiation for and execution of this Agreement and that the unique and novel combination of "know how" and methods developed by us and licensed to Franchisee for the operation of a Recycled Granite™ Business are particular to the stone recycling industry conducted by a Recycled Granite™ Business. Franchisee agrees to take all steps necessary, at Franchisees expense, to protect against the disclosure and dissemination of the Confidential Information to any other person both during the term of this Agreement and subsequent to the termination or expiration of this Agreement without our prior written consent.

Franchisee further agrees that it will not contest in any litigation, arbitration, mediation or in any other matter that our ownership rights to any or all of the above Confidential Information.

E. Maintain and Renovate the Premises

Franchisee shall at all times maintain the Premises in a clean, orderly condition and in first class repair in accordance with all maintenance and operating standards set forth in the Operations Manual. Franchisee shall make, at Franchisee's expense, all additions, repairs, replacements improvements and alterations that may be determined by us to be necessary so that the vehicles (and the Franchisee's facility) which are viewed by the public will conform to the uniform corporate image, as may be prescribed by us from time to time. Franchisee shall undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions that may be reasonably specified by us.

If at any time, in our sole and absolute discretion, the general state of repair, appearance or cleanliness of the Premises (if Franchisee choses to operate out of a location), any vehicles, vehicle graphics or signage (if applicable) does not meet our standards, we have the right to notify Franchisee, specifying the action Franchisee must take to correct the deficiency. If Franchisee does not initiate action

to correct such deficiencies within ten (10) days after Franchisee receives our notice, and then does not continue in good faith and with due diligence, a bona fide program to complete any required maintenance and refurbishing, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on Franchisee's behalf, and Franchisee agrees to reimburse us on demand for any expenses we incur.

Franchisee shall maintain and refurbish the Premises and all vehicles at its expense, to conform to our design, trade dress, color schemes, and presentation of Marks consistent with our designated image, including, without limitation, remodeling, redecoration and modifications to existing improvements.

F. Maintain Competent Staff

We will create and make available to Franchisee and its managing partners, members or shareholder training programs and other selected training materials as we deem appropriate. Franchisee must staff a position to have day-to-day supervision for the operation and management of the Business (referred to as "Shop Manager"). Franchisee's Business must be personally managed on a full-time basis by a Shop Manager who has successfully completed our mandatory training and meets our then-current standards. The Shop Manager may, but need not, be Franchisee or one of the Owners of the Business however, this does not relieve Franchisee of its responsibility. Franchisee's Shop Manager must be readily and continuously available to us. Franchisee will keep us advised, in writing, of all management personnel involved in the Business. Franchisee must replace and train a replacement Shop Manager in accordance with our training program at its expense. Replacement Shop Managers or staff may attend our training program for a fee and subject to space availability. Currently the fee is $250 per person per day as described in Section XX.A of this Agreement. Franchisee or its Shop Manager is responsible for all travel, room, board and food.

Franchisee acknowledges that it is Franchisee's sole and absolute responsibility to hire and train packagers, sorters, material handlers and administrative staff ("Employees") to produce Products and perform Services according to our standards as outlined in the Operations Manual and Section XX.E of this Agreement. Franchisee and its Employees are prohibited from producing any type of product or providing any type of service that require certain certifications or licenses that have not been approved by us in writing. As Franchisee hires Employees, Franchisee can negotiate any rate for such services that is consistent with applicable federal and state laws and regulations. Franchisee is solely responsible for all employment decisions and functions including hiring, firing, establishing wage and hour requirements, disciplining, supervising and record keeping.

Franchisee must not use unethical tactics to recruit Employees. Franchisee shall properly hire Employees per our guidelines and standards (subject to applicable employee protection laws) which include carefully screening Employees by the use of background checks, before employing them, to ascertain fitness for employment. Specifically, Franchisee must use its best efforts, including taking every action required by applicable laws related to background checks of persons working in Business, to ensure that no person is employed who has a record of child-molestation or abuse, fraud, embezzlement, theft, immoral conduct, drug, alcohol or substance abuse; criminal behavior or any other pattern of conduct which might jeopardize the welfare of the customers or reflect adversely on the reputation of us or the System. Franchisee will indemnify us (as described in Section XVIII) for all claims arising out of or relating to Franchisee's Employees and Franchisee's hiring, firing and discipline decisions regarding employees including payment of wages, overtime and any applicable benefits.

Franchisee will require its Employees to wear uniform dress bearing our Names and Marks while working at the Business and while servicing customers. Such uniform dress shall be of the design and color as we may prescribe from time to time, as set forth in the Operations Manual.

Franchisee will keep us advised, in writing, of all management and non-management personnel involved in the operation of the Business.

G. Open Business within Time Limit

Time is of the essence. The Franchisee must open for Business for operation within ninety (90) days after execution of this Agreement which includes having obtained our approval prior to opening, subject to Section IX.B of this Agreement. Prior to Opening, Franchisee shall complete, to our satisfaction, all preparations of the Business, in accordance with specifications set forth in the Operations Manual and other written materials, and as required by local governmental agencies, including the acquisition and installation of equipment, Products, furnishings, fixtures, technology items (such as computers, printers, modems, etc.), software, vehicle (any type of new or used vehicle as described in Section XII.H of this Agreement), uniforms, completion of the franchisee training program and provision to us of all required local information, artwork and photos for the completion of the Franchisee's web page.

H. Operate Business in Strict Conformity to Requirements

Franchisee shall operate the Business in strict conformity with such standards, techniques, and procedures as we may from time to time prescribe in the Operations Manual, or otherwise in writing, and shall not deviate without our prior written consent. We will provide Franchisee with a list of approved Products that Franchisee can produce out of its Shop during the initial training program. In addition, Franchisee agrees to purchase equipment (as defined in Section XII.I) and technology items (such as computers, printers, modems, etc.) and agrees to operate, service, repair, maintain and clean all such items according to our standards as outlined in the Operations Manual. Franchisee must keep all equipment and technology items in clean and good working order at all times and purchase only approved parts to repair its equipment and technology items from our approved vendors and suppliers. All maintenance to the equipment and technology items that cannot be completed by Franchisee must be performed by our approved vendors. Unless otherwise agreed by us in writing, in no event shall Franchisee use any piece of equipment that is more than ten (10) years old; and computers that are more than ten (10) years old. Franchisee agrees to replace all equipment and computers at Franchisee's expense as such items (i) become obsolete or inoperable; or (ii) if, in our sole discretion, replacement is necessary because of new functionality, change in software, change in methods of service or because of health or safety considerations. Franchisee has ninety (90) days after Franchisee receives written notice from Franchisor to either remove or replace such equipment and computers. Failure of Franchisee to remove, replace and/or maintain its equipment and computer systems as described above may result in termination as described in Section XXIII.C of this Agreement.

Franchisee is required to produce and sell approved Products and offer only approved Services and programs in the manner and style we specify, which may, from time to time, be amended or modified in writing, designated and approved by us. Products that Franchisee is authorized to produce and offer for sale in its Business include but are not limited to: pavers, tiles, split stone veneers, jewelry, wine stoppers, whisky rocks, murals and decorative elements. Other products that Franchisee wishes to produce and offer in its Business must be approved in writing by us (as described below). Products that Franchisee is authorized use in its Business are described in Section XII.I of this Agreement. All Product and Services must be produced, sold and performed within the Franchisee's Territory as described in Section VI of this Agreement. Prior to opening the Business for operation, Franchisee must adequately supply its Business with an assortment of equipment, products and supplies; and use all such equipment, products and supplies in accordance with our specifications (as described in Section XII.I). Franchisee may be required to offer our proprietary programs (such as our Green Abilities Program) and abide by the policies for such programs as developed by us. The term "Green Ability Program" is defined as: an artisan apprentice certification program specifically for individuals with mental and physical disabilities. We will provide Franchisee with a written list of programs Franchisee is required to offer and may choose to offer in their Business during the initial training program. Nothing in this Agreement shall be construed to be a promise or guarantee by

us as to the continued existence of a particular piece of equipment, Product, program or Service; nor shall any provision herein imply or establish an obligation on the part of us to reinstate any equipment, Product, program or Service discontinued by us or for any liability to Franchisee for any loss revenue incurred by Franchisee as a result of our decision to discontinue a particular piece of equipment, Product, program or Service. Franchisee agrees that we have the right, in its sole discretion, to change, modify, add or discontinue any approved equipment, Product, program or Service and specifications at any time, in its sole discretion. Franchisee promises to promptly accept and implement, in the operation of the Business, all such additions, modifications and changes at Franchisee's expense within ninety (90) days of receiving such notice. Additional equipment, products, programs or services Franchisee desires to use, in its Business must be authorized in writing by us (as described below and in Section XII.I). Failure of Franchisee to adhere to our approved Products, programs or Services that Franchisee is authorized to produce and sell to customers, according to our standards and specifications and/or to adhere to any additions, modifications or changes to such standards and specifications after receiving written notice from us (as described above) will be considered to be in breach of this Agreement and we, in our sole discretion, may terminate this Agreement as described in Section XXIII.C.

Franchisee cannot implement, produce, offer or sell any other product, service or program unless approved by us in writing. We will respond to Franchisee's request to implement, produce, offer or sell a new product, service or program by email or any other form of written communication within thirty (30) days from the date the request is received. Such approval or disapproval shall be made by e-mail or any other form of written communication. We shall have the right to require, as a condition of its approval and review, that Franchisee submit to us all materials and supporting documentation describing the product, service or program Franchisee wishes to implement, produce, offer and/or sell in its Business. The cost of such investigation for approval shall be paid by the Franchisee (if applicable) and we shall not be liable for denying Franchisee's request. Failure of Franchisees to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C.

Franchisee must have a reliable vehicle and can use any type of new or used vehicle (referred to as "Vehicle") to transport Products and perform Services within its Territory. It is expected that Franchisee uses its existing Vehicle so long as such Vehicle meets our appearance standards. We require that any Vehicle Franchisee operates must not be more than twenty (20) years old and must meet our appearance standards as specified in the Operations Manual. We will provide Franchisee with Vehicle appearance standards and Franchisee is responsible for the cost of the Vehicle and installation of all vehicle graphics (if Franchisee chooses to advertise its Business using graphics). Vehicle graphics must be purchased from us, our affiliates or approved vendors or suppliers. Franchisee must maintain the Vehicle and the Vehicle must maintain the Vehicle as outlined in Section XII.U of this Agreement.

Franchisee must accept credit and debit cards and may choose to use other payment systems and check verification services as specified as us, and which we may change from time to time. Franchisee shall also offer for sale, and will honor for customers, any incentive, coupon, or loyalty programs, which we may institute from time to time, and Franchisee shall do so in compliance with our standards and procedures for such programs to the extent permitted by the laws of Franchisee's state. These programs may include, without limitation, membership programs, repetitive use for service and/or product programs, co-op programs and other local and national activities. Franchisee's full and complete participation in such programs are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

Franchisee agrees to fully comply with all mandatory specifications, standards, operating and merchandising procedures and rules in effect which may change from time to time relating to Products, Services, safety, maintenance, cleanliness, sanitation, function and appearance of the Shop (if operating out of a location) and its equipment; technology items, furniture, fixtures, décor and signage (if applicable).

Franchisee must comply with our required procedures for using, producing, offering Products and Services, as we may periodically adopt and may be required to accurately post and label the prices for certain Products. Franchisee is prohibited from selling Products and offering Services through alternative channels of distribution (such as on Websites) however if given permission to do so, as described in Section VI, Franchisee must adhere to our Website standards as outlined in the Operations Manual. If Franchisee is given permission, which we are not obligated to grant, all Products sold over the Internet must be sold and shipped directly from the Shop. Except for Internet and Website sales (if Franchisee is authorized to do so) and off-site events within its Territory (also described in Section VI), Franchisee is not permitted to produce, sell or offer Products or Services from any other location other than from its Accepted Location, in any other media or alternative channels of distribution, whether known or hereinafter invented. If Franchisee attempts to sell or offer Products and/or Services through any alternative channel of distribution (as described above) without our prior written permission such action will be considered a breach of this Agreement and may result in termination of this Agreement as described in Section XXIII.C.

Franchisee is encouraged to accept the referral of any customer from another franchisee, company-owned business or us who desires to Products or Services from Franchisee. If Franchisee chooses not to accept the referral, then we may provide Products and/or Services directly or through another franchisee or third party without compensation to Franchisee. We encourage all Recycled Granite™ businesses, when owned by different individuals, to work out a referral or transfer arrangement. Franchisee can provide Products and/or perform Services to anyone outside of Franchisee's Territory if there is not a franchise or company-owned business in that area, as described in Section VI of this Agreement, provided once that area is sold or we have begun to operate in that area, Franchisee must no longer provide Products or perform Services in that area. We shall use commercially reasonable efforts to deal with any Recycled Granite™ business that violates this policy.

Franchisee must respond promptly to all inquiries and complaints in order to achieve customer satisfaction. If Franchisee does not provide customers with satisfactory service and or fails to resolve complaints at the time complaint is registered or if Franchisee violates operating standards or this Agreement, we may, in addition to its other remedies, complete the services and bill the Franchisee or customer for its services. Franchisee shall reimburse us for any expense incurred. In addition, there may be other System oriented programs designed to promote to the public the quality care and service provided by a Recycled Granite™ business that we may wish to implement on a system-wide basis and advertise and market. Franchisee shall be required to participate in the then-current specials or promotions as may be developed by and as may be modified periodically by us, in our sole discretion.

We may institute various programs designed to verify customer satisfaction and/or Franchisee's compliance with all operational and other aspects of the System, including (but not limited to) a toll-free number, online surveys, customer comment cards, secret shoppers or otherwise. We will share results of such programs with Franchisee as they pertain to Franchisee's Territory and Franchisee will reimburse us for all costs associated with any and all such programs provided that Franchisee is not in compliance with this Agreement and the System.

Franchisee recognizes that one of our primary methods of communication with Franchisees is through announcements and/or memos we may periodically publish and distribute through an intranet system provided to Franchisees. Franchisee is responsible for knowing all of the information contained in the announcements, memos and the intranet system and complying with any standards and specifications provided within them. We may establish and change the standards and specifications for the operation of your Business through our announcements, memos and intranet system. For any third party intranet system or if we establish an intranet system on our website, we will have no obligation for the hosting of the intranet system (for example if hosting company goes down or shuts down the intranet system for maintenance or security reasons) or to maintain the intranet system indefinitely and may dismantle it at any

time without notice and without liability to Franchisee and the following will apply:

1. We will establish policies and procedures for use of the intranet system. These policies, procedures and other terms of use may address the issues such as (i) restrictions on the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) restrictions on communications between or among franchisees that endorse or encourage breach of any agreement with us; (iii) confidentiality of materials that we transmit; (iv) password protocols and other security procedures; (v) grounds for suspending, or revoking Franchisee's access to the intranet system; (vi) restrictions on copyright and other intellectual property infringement matters; and (vii) a privacy policy governing our access to and use of electronic communications that franchisees submit on the intranet system. Franchisee acknowledges that as administrator of the intranet system, we can access and view any communication that anyone posts on the intranet system. Franchisee further acknowledges that the intranet system and all communications that are posted to it will become our property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

2. Upon receipt of notice from us that the intranet system has become operational, Franchisee agrees to purchase and install all necessary additions to their computers and to establish and continually maintain electronic connection with the intranet system that allows us to send messages to and receive messages from Franchisee. Franchisee's obligation to maintain connectivity with the intranet system will continue until expiration or termination of this Agreement.

3. We may use part of the System Advertising Fund that we collect under this Agreement to develop, maintain and further develop the intranet system.

We may require Franchisee to join and participate in industry specific, local or national associations. Such associations include, but are not limited to Franchisee's local Chamber of Commerce, State Recycling Coalition and the Ecological Landscape Alliance. These associations are deemed invaluable and necessary for the continued growth of the Business. Franchisee is responsible for all membership fees and any related costs. We reserve the right to require Franchisee to join and participate in other professional organizations as we deem appropriate in its sole discretion. Franchisee's full and complete participation in such programs and associations are required. Except as otherwise provided herein, compliance and participation shall be at Franchisee's expense.

In the marketing and operation of a Franchisee's Business, Franchisee will use each of, and only, the contracts, waivers and/or other forms and/or materials as are designated by us periodically. Franchisee may lease a space subject to the landlord's lease, as long as the lease contains all of the terms and conditions required by this Agreement, and the Franchisee may execute its lender's standard promissory note, personal guaranty and security agreement provided that the terms and conditions of any promissory note, personal guaranty and security agreement do not affect or impair this Agreement, or any of our rights or remedies under this Agreement. If the Franchisee has two or more Owners or it is an Entity, then the Franchisee must submit a copy of its Operating Agreement, Partnership Agreement, Business Trust Agreement, or Shareholders Agreement and bylaws, as applicable for our review prior to execution as specified in Section XII.R of this Agreement.

All advertising and promotions by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of us as set forth in the Operations Manual. Franchisee shall have the right to offer and sell Products and/or Services at any prices or rates Franchisee

may determine, except that we reserve the right to establish minimum and maximum prices and/or rates for any given Product or Service nationwide to the extent allowed by federal and state laws. To clarify, Franchisee agrees we have the right, in our sole discretion, to establish minimum and maximum prices and/or rates for any Product or Service so long as such decisions are made with the honest belief that the measure we are adopting will help everyone in the System meet competition and succeed in the marketplace. Franchisee is prohibited from heavily discounting Products and Services offered for sale and must adhere to our minimum and maximum pricing guidelines, except as otherwise provided by applicable federal or state laws. If Franchisee elects to offer or sell any Service and/or Product at any price or rate recommended by us, Franchisee acknowledges that we have made no guarantee, statement, or warranty that offering such Products and/or Services at the recommended price or rate will enhance Franchisee's sales or profits. Franchisee shall participate in and comply with all sales and promotional programs and/or product promotions promulgated by us periodically.

I. Use of Approved Products, Supplies, Equipment and Vendors

Franchisee acknowledges that we have spent considerable time in determining what equipment, products, supplies, processes, methods and vendors to use in the operation of a Recycled Granite™ business. Accordingly, Franchisee acknowledges that Franchisee is to use only approved equipment, products, supplies, services, vendors and suppliers that includes but is not limited to: equipment (such as: wet saw, tile saws, our proprietary splitter machine, stone chiseler and other equipment), furniture and fixtures, technology items (such as computer, printers, modems, etc.), products (such as: magnets, wine stoppers, adhesives, etc.), supplies (such as: packaging materials, safety equipment, cleaning supplies, etc.), uniforms, Vehicles, vehicle graphics, promotional merchandise, marketing materials, printed advertising materials and promotional items, software, merchant account providers, shows and event marketing opportunities, and vendor, co-branding, affinity programs. We may derive income through license fees, promotional fees, advertising allowances, rebates or other monies paid by approved vendors and/or suppliers. We do not know the precise basis of these payments because we have never previously collected them. If we require Franchisee to buy from us, we will exercise commercially reasonable efforts to ensure that the product's price and quality will be comparable to similar equipment and products from other sources. We may take a portion of income earned from license fees, promotional fees, advertising allowances or rebates to spend on advertising or place in a separate franchise advertising account. If we require Franchisee to buy equipment, products, supplies or services from a vendor that pays such allowances, we may spend all such fees on related advertising or place them in the advertising account Fund as described in Section X.B of this Agreement. If we do not require the purchase, we do not need to place such funds in a separate account or use them on advertising. Franchisee, agrees that we may periodically and upon written notice, add to, modify or change such approved equipment, products, supplies, services, vendors and suppliers. Franchisee promises to promptly accept and implement, in the operation of the Business, all such additions, modifications and changes at Franchisees expense. In addition, Franchisee acknowledges that:

1. To insure the consistent high quality and uniformity of Products and Services provided by Recycled Granite™ franchised businesses, Franchisee must purchase equipment, products, supplies and services (as described above) from us, our affiliates or those approved vendors (including manufacturers, distributors and other sources) who demonstrate to our continuing satisfaction an ability to meet our standards and specifications. We are not liable to Franchisee for any loss or damage, or deemed to be in breach of this Agreement, if we, our affiliates or approved vendors and/or suppliers

cannot deliver, or cause to be delivered, Franchisee's order of the items mentioned above where such items are out-of-stock or discontinued. Franchisee is prohibited from purchasing and using equipment, products, supplies and services from unapproved vendors and/or suppliers who are not on our approved list without our written approval. All vendors and suppliers that Franchisee purchases from must be approved in writing by us and may be disapproved by us anytime thereafter. We shall approve or deny Franchisee's request, which approval is in our sole discretion, within thirty (30) days of receipt of Franchisee's written request. Such approval or disapproval shall be made by e-mail or any other form of written communication. If Franchisee purchases or uses any equipment, products, supplies or services from any unapproved vendor or supplier without our permission, as described above, it may result in termination of this Agreement as specified in Section XXIII.C.

2. In approving any vendor or supplier, we may consider factors such as: price, quality, composition, performance, accuracy of product claims, durability, safety, technical specifications, frequency of delivery, design, service maintenance programs, determination of quality control, value, customer service, prompt attention to complaints, litigation against the supplier, reputation of supplier, any product recalls instituted by the United States Consumer Product Safety Commission, the supplier's financial strength and capacity to supply Franchisee needs promptly, reliably, and cost effectively. All vendors and suppliers must be approved in writing by us and may be disapproved by us anytime thereafter. If Franchisee desires to purchase unapproved equipment, products or supplies from unapproved vendors, Franchisee must submit to us a written request for such approval. We will respond to Franchisee request within thirty (30) days from the date the request is received by email or any other form of written communication. We shall have the right to require, as a condition of its approval and review, that its representatives to be permitted to inspect the facilities of the proposed vendor or supplier and that the proposed item is delivered to us or our designee for testing. The cost of such inspection and testing shall be paid by Franchisee, vendor or supplier and we shall not be liable for damage to or for the return of any sample. We may require Franchisee's vendors to sign our pre-approved Confidentiality and Nondisclosure Agreement, guarantee our level of quality. We reserve the right to re-inspect the facilities and to re- test the equipment, products and supplies of any approved vendor or supplier and to revoke any approval if the vendor fails to continue to meet our high standards.

3. Franchisee will not make any claims against us with respect to any vendor and/or related supplier (including our affiliates) for equipment, products, supplies or services (as described above) necessary for the operation of the Business (and/or our designation of, or our relationship with, any vendor or supplier). WE MAKE NO WARRANTIES REGARDING ANY VENDOR EQUIPMENT, PRODUCTS OR SUPPLIES AND HEREBY DISCLAIM THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, THE IMPLIED WARRANTY OF QUALITY OF COMPUTER PROGRAMS, THE IMPLIED WARRANTY OF SYSTEM INTEGRATION, AND THE IMPLIED WARRANTY OF INFORMATION CONTENT. FRANCHISOR MAKES NO WARRANTY THAT ANY VENDOR PROVIDED SOFTWARE WILL BE BUG FREE, VIRUS FREE, OR FREE OF TROJAN HORSES OR WORMS. FRANCHISEE HEREBY AGREES THAT SUCH DISCLAIMER IS AN ESSENTIAL PART OF THE BARGAIN, AND THAT WE WOULD NOT HAVE ENTERED INTO THIS TRANSACTION ABSENT SUCH DISCLAIMER. Any claim with respect to any vendor-related and/or similar matters shall be made only against the vendor in question. Franchisee will provide us with written notice

prior to taking any action in connection with such a claim. We will use diligent efforts to assist Franchisees in resolving any disputes with vendors approved and/or designated by us.

4. Franchisee will be required to purchase and use Proprietary Equipment developed by us, which will be listed in the Operations Manual. The term "Proprietary Equipment" is defined as all equipment and machinery developed by us that may be branded with our Marks all of which must be purchased by the Franchisee directly either from us, our affiliates or approved vendors, unless the Franchisee has submitted and received written approval from us to use an alternate supplier. We have permitted eighteen (18) independent business owners in the United States ("Members") to sell Products and offer Services using our Proprietary Equipment. Failure to purchase and/or use such Proprietary Equipment will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

5. Franchisee may be required to use and/or offer for sell all branded merchandise or Proprietary Products developed by us, which will be listed in the Operations Manual (currently not in effect). The term "Proprietary Products" is defined as all products, supplies, marketing materials and Recycled Granite™ branded products all of which must be purchased by the Franchisee directly either from us, our affiliates or approved vendors, unless the Franchisee has submitted and received written approval from us to use an alternate supplier. Currently we have not developed any Proprietary Products however if Proprietary Products are developed, we may become the only approved supplier for such items and failure to use and/or sell such Proprietary Products will result in termination of this Agreement as specified in Section XXIII.C of this Agreement.

6. Franchisee acknowledges that we currently do not require Franchisee to maintain in inventory a Minimum Representation of Products or Proprietary Products (however retains the right to do so in the future). "Minimum Representation" shall be defined as the continuous maintenance of an amount of Products and/or Proprietary Products meeting requirements as defined in the Operations Manual. If this requirement is implemented, Franchisee shall at all times comply with our Minimum Representation requirements and the terms of any auto-ship requirements (currently we do not have any auto-ship requirements, however does require that Franchisee purchase updates for all advertising, promotional and marketing materials and miscellaneous forms when designated as mandatory by us and as specified in the Operations Manual).

7. Franchisee shall not make changes to any Products, Proprietary Equipment, Proprietary Products or any other type of equipment or any third party products including making modifications, changing containers, packaging, labeling, promotional materials, advertising, cartons or the like without our or the manufacturer's prior written approval, which may be withheld in our sole discretion or manufacturer. Failure to adhere to these guidelines will result in termination of this Agreement as specified in Section XXIII.C.

8. Franchisee may not independently act as an exclusive distributor for any third party vendor or secure any exclusive rights to distribute any Products, Proprietary Equipment, Proprietary Products and/or any other type of equipment inside or outside of Franchisee's Territory without our written consent. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's

written request. Failure to adhere to these guidelines will result in termination of this agreement as specified in Section XXIII.C of this Agreement.

9. Franchisee shall not manufacture or produce any piece of equipment, Product or supply that is similar to, or competes with any of Franchisor's Proprietary Equipment, Products, Services, Proprietary Product or third party product, or any piece of equipment used or offered in a Recycled Granite™ business without the advanced written consent of us or manufacturer, which may be granted or denied in ours or the manufacturer's sole discretion. Violation of this shall be grounds for immediate termination as specified in Section XXIII.C of this Agreement.

10. Franchisee must inspect all equipment and products promptly upon receipt and may reject any equipment or product that fails in any material respect to conform to manufacturer's description. Rejected equipment or products must be returned to the manufacturer within three (3) business days of the date on which manufacturer authorizes the return or as manufacturer specifies;

11. Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at our sole option, we may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Recycled Granite™ businesses with some or all of the equipment, products and supplies that we require for use and/or sale in the development and/or operation of the Business. In this event, we may limit the number of approved vendors with whom Franchisee may deal, designate sources that Franchisee must use for some or all equipment, products, supplies and other products and services, and/or refuse any of Franchisee's requests if we believe that this action is in the best interests of the System. We shall have unlimited discretion to approve or disapprove the vendors or suppliers who may be permitted to sell equipment, Products and supplies to franchisees;

12. Franchisee agrees to purchase, use, maintain and update at Franchisee's expense all computers and software meeting our specifications, as we may modify them. Franchisee will be required to purchase software from us, our affiliates or our approved vendors. We reserve the right to have independent access to all information that Franchisee stores in any computer, laptop or software used for the Business. Franchisee agrees to comply with our then-current Terms of Use and Privacy Policies and any other upgrade requirements regarding all computers and software, including Internet usage. Supplier and/or licensor charges for use, maintenance, support and/or updates of such required items are the Franchisee's responsibility.

13. We cannot estimate the future costs of the computers or software or required service and/or support, and although these costs might not be fully amortizable over this Agreement's remaining term, Franchisee agrees to incur the costs of obtaining computers and software (or additions and modifications) and required service and support. We have no obligation to reimburse Franchisee for any such costs. Within ninety (90) days after Franchisee receives notice from us, Franchisee agrees to obtain the software and computer components that we may designate and to ensure that Franchisee's software and computers, as modified, is functioning properly.

14. Franchisee may be required to use our proprietary software for the operation of the Business (currently not in effect). If we develop proprietary software and require Franchisee to use such software, we will provide Franchisee with a ninety (90) day written notice to purchase (if applicable) and use such software for the operation of the Business. We will provide all update and upgrade requirements for the proprietary software as necessary. The installation, maintenance, repairs and upgrade costs for the proprietary software will be the responsibility of the Franchisee. Usage of any propriety software ("Software"), if developed, will be subject to the following terms:

a. Franchisee will use our Software on a computer system that: (i) meet our computer hardware specifications; and (ii) is located at the Premises or on a backup system if the original computer is inoperable. Franchisee will be licensed to use our Software only for Franchisee's internal, in-house data processing and data communications purposes and only in connection with the Business and not for re-marketing or redistribution under any circumstances;

b. Franchisee acknowledges and agrees we will be the sole and exclusive owner of all right, title and interest in and to our Software, and its source code, including all trade secrets and copyrights related to the Software, subject only to the rights we expressly license to Franchisee in this Agreement. This license will not provide Franchisee with title or ownership of the Software, but only a limited right of use at the Franchisee's principal place of business, in accordance with the software's documentation. Franchisee agrees that Franchisee will not contest or otherwise seek to share, diminish or invalidate our ownership rights in our Software;

c. Franchisee will not modify the Software in any way without our prior written consent. Franchisee will promptly disclose to us all ideas and suggestions for modifications or enhancements to the Software that Franchisee conceives or develops and we will have the right to use such ideas and suggestions. All modifications or enhancements made to the Software will be our property and belong exclusively to us, without regard to the source or creator of the modification or enhancement, however we may provide incentive programs for such contributions;

d. We will have the right at all times to access Software and to retrieve, analyze and use all the data in Franchisee's files stored on Franchisee's computers, laptops or tablets or any other type of computer system. Additionally, Franchisee will electronically transfer all files and reports to us on our request. All information that Franchisee stores in any computer or laptop shall become our confidential and proprietary information, and subject to all of the terms and conditions of this Agreement regarding our confidential information.

e. Franchisee and Franchisee's employees will not make available the Software, or portions thereof, to any person other than Franchisee's or our employees without prior written consent. Franchisee agrees that Franchisee will not: (i) copy the Software except as necessary for use in the Business; (ii) translate, reverse engineer, reverse compile, modify, alter, disassemble or create derivative works based on the Software; (iii) sublicense, rent, lease, sell or otherwise transfer the Software or any portion thereof, or any rights therein, to any person or entity.

Failure to adhere to these guidelines or allowing unauthorized usage of the

Software will result in termination of this agreement as specified in Section XXIII.C of this Agreement;

f. Franchisee acknowledges and agrees that the Software, if developed, will be our valuable, proprietary product, the design and development of which took the investment of considerable time, money and the effort of skilled computer programmers. Franchisee will keep the Software and any data generated by the use of the Software confidential during and after the term of this Agreement and will maintain security precautions to maintain the secrecy of the Software and to prevent unauthorized access or use of the Software. Franchisee agrees that we will treat the Software as confidential and that the Software will contain substantial trade secrets of ours that we have entrusted to Franchisee in confidence to use only as we authorize under this Agreement. We will claim and reserve all rights and benefits afforded under copyright law, patent law, intellectual property law and other laws relating to confidential and proprietary material. Franchisee agrees not to improperly use, disseminate, or disclose the Software, and to ensure that Franchisee's employees who gain access to the Software will protect them against improper use, dissemination or disclosure;

g. THE SOFTWARE WOULD BE PROVIDED ON AN "AS-IS" BASIS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, SYSTEM INTEGRATION, QUALITY OF COMPUTER PROGRAMS, INFORMATIONAL CONTENT AND FITNESS FOR A PARTICULAR PURPOSE, QUALITY OF COMPUTER PROGRAMS, SYSTEM INTEGRATION, INFORMATIONAL CONTENT AND FITNESS FOR A PARTICULAR PURPOSE. ALL WARRANTIES AGAINST INFRINGEMENT ARE HEREBY DISCLAIMED EXCEPT WE REPRESENT THAT WE HAVE SUFFICIENT AUTHORIZATION TO LICENSE THE SOFTWARE TO FRANCHISEE. WE WILL NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE MEET FRANCHISEE'S REQUIREMENTS OR THAT THE USE OF THE SOFTWARE WILL BE UNINTERRUPTED, BUG FREE, WORM FREE, TROJAN HORSE OR ERROR FREE. WE MAKE NO WARRANTIES REGARDING ANY OPEN SOURCE SOFTWARE. In no event will we be liable to Franchisee for damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to the use of or inability to use the Software, even if we have been advised of the possibility of such damages, or for any claim by any other Party. The foregoing limitations of liability are intended to apply without regard to whether other provisions of this Agreement have been breached or proven ineffective;

h. Franchisee acknowledges and agrees that Franchisee's license to the Software will terminate immediately should Franchisee fail to adhere to any of Franchisee's obligations under this license or if this Agreement expires or is terminated for any reason;

i. Franchisee acknowledges and agrees that any violation by Franchisee of the provisions of the Software license would cause us irreparable harm for which we

would have not adequate remedy at law; and that, in addition to other remedies available to us, we will be entitled to seek injunctive relief against any such violation;

j. In the event Franchisee fails to adhere to any of Franchisee's obligations under this Agreement, or is no longer a franchisee of ours, or this Agreement expires or terminates for any reason, Franchisee will immediately (within five (5) days) terminate the use of the Software and destroy any and all material or information related to the Software or any data generated by use of the Software unless we specifically instruct otherwise; and

k. Franchisee must update all computer systems upon our request to optimize performance of the Software.

15. Franchisee acknowledges that neither we nor our affiliates, will have any liability and/or obligation (and neither you or any managing partners, managing members, members or shareholders will make any claims) about any loss of data, loss of information, inability to use, failures, errors or any other occurrences relating to any computer or laptop hardware and/or software without an express written warranty from us, even if recommended or specified by us. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting themselves from these problems. Franchisee must also take reasonable steps to verify that information about Franchisee's vendors, suppliers, lenders, landlords, customers and governmental agencies on which Franchisee rely, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems and use of backup systems.

16. We may set standards or specifications for leases, real estate, the construction and build out of the Business (applicable if Franchisee chooses to operate out of a location); furnishings, fixtures, décor items, signage and Internet or network access services, at our discretion, including its subjective determinations relating to quality, value and appearance.

Nothing in this Agreement shall be construed to be a promise or guarantee by us as to the continued existence of a particular piece of equipment, Product or supply nor shall any provision herein imply or establish an obligation on the part of us and our affiliates to sell equipment, Products or supplies to Franchisee if Franchisee is in default of any payment to us, our affiliates, or any other designated vendor or approved supplier, or otherwise is in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of items purchased (if applicable), we or our affiliates shall not be obligated to sell such items to Franchisee.

J. Use Approved Design and Signage for the Premises

In operating Recycled Granite™ business, Franchisee must adhere to our signage standards and utilize signage designs in accordance with the standards and specifications recommended by us, or that which will continue to be recommended by us. Franchisee may be required to purchase signage from us, our approved suppliers, or submit an alternate supplier to us for approval. If Franchisee operates out of a location, Franchisee shall purchase or lease, subject to local building codes and regulations, such signs that provide maximum displays of our Names and Marks. Upon renewal of this Agreement, Franchisee shall be totally responsible for obtaining and equipping the Premises and all Vehicles with the signage (if franchise chooses to use vehicle graphics to advertise its Business) that is approved for use by us at the time of the renewal of this Agreement. The color, size, design and location of said signage shall be as specified and/or approved by us. Franchisee shall not place additional signs, posters, newspaper racks, video games, juke

boxes, gaming machines, gum machines, any type of games or rides, vending machines or other similar devices and décor items in the Business without our prior written consent.

K. Participation in the Operation of the Business

Franchisee acknowledges that a Recycled Granite™ business involves hard work and sometimes long hours, similar to most small businesses that are owner operated. Franchisee acknowledges that we have not represented that this business is going to be easy for Franchisee (or any of its Owners) and agrees to participate in the day-to-day operation of the Business. Franchisee may assign the supervision of the Business to an Owner or Shop Manager once approved by us. Franchisee agrees that the Shop Manager will supervise all Employees and staff. The Shop Manager will also be responsible for providing continuing guidance, oversight, day-to-day management, instruction and properly process all reports or complaints.

L. Advertising the Business

Franchisee agrees to create a local advertising and marketing plan by which Franchisee shall place local advertising in any media it desires, provided that such advertising conforms to our standards and requirements as set forth in the Operations Manual or otherwise designated by us. Such advertising may include but is not limited to: any type of media (media advertising is further described below), telephone, mail, email (or any type of electronic network), directory and listings of the Business per our written approval. All items mentioned are our property and on termination will revert to us. Franchisee agrees to execute any and all documents needed to perfect such reversions. Franchisee shall not advertise the Business in connection with any other business, except with our prior written approval. Franchisee shall obtain our prior approval of all unapproved advertising and promotional plans and materials that Franchisee desires to use thirty (30) days before the start of any such plans. Franchisee shall submit such unapproved plans and materials to us (by personal delivery, through the mail with return receipt if requested or any method we prescribe). Franchisee shall not use such plans or materials until they have been approved by us and shall promptly discontinue use of any advertising or promotional plans and material upon the request of us. Any plans or materials submitted by Franchisee to us, that have not been approved or disapproved in writing, within thirty (30) days of receipt, by us, shall be deemed not approved.

Franchisee will not independently advertise or promote the Business in any media (including on any Websites as defined in Section VI) without our prior written approval. If given permission, Franchisee can use any materials previously approved by us. Franchisee must submit a request to us to use unapproved materials (such as photographs of jobs or video presentations) for any type of media promotion in addition to any edits, changes or updates to Franchisees web page and all such edits, changes or updates must be performed by us, its affiliates or approved vendors. We shall approve or deny Franchisee's request, which approval is in its sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee will participate in, at its own expense, and cooperate with all advertising and promotional programs we or any advertising group of franchisees selects, including any franchise marketing council we may implement. Franchisee is not required to follow or maintain any sales price, except that we will set minimum and maximum prices and/or rates and will suggest prices and rates, to the extent allowed by federal or state law.

Franchisee shall at all times use its best efforts to promote and increase recognition of the Products and Services offered by the Business pursuant to the System and Operations Manual, to effect the widest and best possible distribution of Products and Services from the Business and to devote its best efforts to growing the Business.

M. Maintain Regular Business Hours

Franchisee's Business must be open for operation a minimum of five (5) days each week, which can be any five (5) days during the week Monday thru Saturday, except holidays as specified in the Operations Manual; or the hours otherwise approved in writing by us; or as required by the lease of the Premises on which the Business is operated. Sunday is optional. It is required that the Franchisee respond to after hour inquiries and service calls immediately or within twenty-four (24) hours of the initial inquiry (as further described in the Operations Manual) and maintain an e-mail address for the Business to take messages and respond to customers outside of regular business hours.

N. Maintain Uniform Operating Standards

Franchisee understands and acknowledges that every detail of the operation of the Business is important to the Franchisee, We and other franchisees in order to develop and maintain uniform operating standards, to increase the demand for Products sold and Services offered by the Business under our System and to protect our reputation, quality standards, and goodwill.

Franchisee acknowledges and agrees that the System must continue to evolve in order to reflect changing market conditions and meet new and changing consumer demands. As a consequence, changes, modifications and variations to the System's standards, Products and Services offered may be required from time to time to preserve and enhance the public image of the System and enhance the operational efficiency of all franchises.

Franchisee therefore agrees that we may periodically and upon written notice, add to, modify or change the System, including without limitation making changes to approved Products, Services, programs, equipment, supplies, methods, strategies and techniques as used in the operation of the Business; the adoption and use of new or modified trademarks, uniform dress requirements, Vehicle appearance standards, signage (if applicable), software, employee hiring and retention programs, sales, advertising, promotion and marketing materials. Franchisee promises to promptly accept, implement, use in the operation of the Business, all such additions, modifications and changes at Franchisee's expense.

Franchisee agrees to maintain high standards of honesty, integrity, fair dealing and ethical conduct in all business activities. Franchisee will not sell any product or engage in any services, trade practices, abusive excessive, or illegal collection techniques or other activity that we determine to be harmful to the goodwill, quality standards, or to reflect unfavorably on the reputation of Franchisee or we, the Franchised Business, or the products and services sold thereof; or which constitutes deceptive or unfair competition, results in unfounded litigation against Franchisee's customers or otherwise is in violation of any applicable laws. The above limitations are closely related to our business image, purpose and marketing strategy of the System, and therefore any change therefrom would fundamentally change the nature of the business;

We will not require Franchisee to make any changes, modifications and variations to the System that are not required of all franchisees (unless such change, modification or variation relates only to certain franchisees due to one or more unique factors such as geographic location, local laws, regulations or customs); furthermore we may periodically meet with representative groups of franchisees and solicit their input prior to the implementation of any material change or modification. Franchisee's failure to comply with modifications to the System within ninety (90) days of such written notice is an incurable default as described in Section XXIII.C of this Agreement, except as allowed in Section XII.E of this Agreement.

O. Telephone Number of Business and Web Page

Franchisee understands and agrees that the telephone number(s), URL address, web page and if permitted, Website for the Business (and any mobile phone numbers) constitute a part of the System and are

subject to the restrictions of this Agreement. Accordingly, Franchisee shall not change the telephone number(s), URL address, web page or Website for the Business without prior notice and written approval by Franchisor. Franchisee shall advertise and publicize the telephone number(s), URL address, web page and Website for the Business in the manner prescribed by us. As stated above, all telephone numbers, URL addresses, web page, Websites, Internet or similar connections, directory and listings for the Franchised Business are our property and upon termination will revert to us.

P. Disclose Discoveries and Ideas to Franchisor

Franchisee shall promptly disclose to us all products, equipment, discoveries, methods, techniques, formulas, processes, programs, video presentation, concepts, operational procedures, inventions or ideas, whether patentable or not, relating to ours business, which are conceived or made by Franchisee or any Owner, agent, or employee of Franchisee solely or jointly with others, during the term of this Agreement, whether or not our facilities, materials, or personnel are utilized in the conception or making of such discoveries or ideas. Franchisee hereby acknowledges and agrees that all such products, equipment, discoveries, methods, techniques, formulas, processes, programs, video presentations, concepts, operational procedures, inventions or ideas are the exclusive property of us, and that we shall have no obligation to compensate the Franchisee for any such discovery or idea. However as a matter of corporate policy, we may, in our sole discretion, create an incentive program to reward Franchisee, its owners, employees or agents for any such new product, equipment, method, technique, formula, process, program, video presentation, concept, invention or improvement that we implement throughout the System. The Franchisee, its officers, directors, managers, members, partners and shareholders agree to execute all documents deemed reasonably necessary by us to assign all such patent, trade secret, trademark, copyright and intellectual property rights in any Franchisee discovery or idea to us. The term "all copyright and intellectual property rights" shall mean all means, methods, and process, by all media whether now known or hereinafter invested, including complete and entire interactive rights and rights to derivative works. The purpose of this clause is to ensure that ideas for improvements to the System that may be generated by franchisees within the System will be distributed to the other franchisees as a benefit of belonging to the System. The Franchisee agrees to execute all documents that we deem are reasonably necessary to carry out such transfer of intellectual property rights to us.

Q. Permit Franchisor to Enter the Premises

Franchisee shall permit us and our agents or representatives to enter the Premises during normal business hours for the purpose of conducting inspections on the operation of the Business with a twenty-four (24) hour notice to Franchisee to review business operations, production and service standards in general, in addition to removing samples of products, supplies and equipment, without payment, for us to review to determine if such items meet our then-current standards and specifications. Franchisee shall cooperate fully with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be deemed necessary to immediately correct any deficiencies detected during such inspections. In the event Franchisee fails or refuses to promptly correct immediately any deficiency detected during such inspection, we shall have the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. The foregoing shall be in addition to any other remedies we may have pursuant to this Agreement.

R. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited liability company, general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee shall confine its activities to the establishment and operation of the Business;

2. Franchisee's Certificate, Articles of Incorporation or Articles of Organization, Certificate of Formation, Shareholders Agreement, Operating Agreement, Partnership Agreement Business Trust Agreement, and/or Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to the operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish us promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, Business Trust Agreement, Shareholders Agreement, and other governing documents, and any other documents we may reasonably request, and any amendments thereto, from time to time;

3. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock or other ownership interest in Franchisee and shall furnish such list to Franchisor upon request;

4. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) or the certificate of any other entity evidencing ownership except in accordance with the provisions of Section XV of this Agreement. All securities or other ownership interests issued by Franchisee shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF THIS FRANCHISE AGREEMENT WITH RECYCLED GRANITE FRANCHISE, LLC AS OF THE SIGNING DATE. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS

CORPORATION (IF THE FRANCHISEE IS A LIMITED LIABILITY COMPANY, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE LIMITED LIABILITY COMPANY'S OPERATING AGREEMENT, IF THE FRANCHISEE IS A PARTNERSHIP, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE PARTNERSHIP AGREEMENT. IF THE FRANCHISEE IS A BUSINESS TRUST, REFERENCE WILL BE MADE TO THE TRANSFER OF OWNERSHIP RESTRICTIONS SET FORTH IN THIS FRANCHISE AGREEMENT, IN THE TRUST AGREEMENT);

5. Any individual or Entity who own ten percent (10%) or more ownership in the Franchise Business, shall jointly and severely guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.R. shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation");

6. If Franchisee is or becomes a partnership, corporation or limited liability company, Franchisee shall furnish Franchisor a copy of its partnership agreement or comparable agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a limited liability company, Franchisee shall furnish us with a copy of its operating agreement and any other documents we may reasonably request, and any amendments thereto, from time to time. If Franchisee is or becomes a corporation, Franchisee shall furnish us a copy of its shareholders agreement bylaws, and any other documents we may reasonably request, and any amendments thereto, from time to time; If Franchisee is or becomes a business trust, Franchisee shall furnish us a copy of its trust agreement, and any other documents we may reasonably request, and any amendments thereto, from time to time;

7. Each individual or Entity holding a ten percent (10%) or greater ownership or beneficial ownership interest in the Franchisee's Business, directly or indirectly, (including each individual holding a 50% or greater interest in any limited liability company, partnership or corporation which has a 10% or greater interest in the Franchisee's Business) shall enter into a continuing guaranty agreement, in the form attached hereto as Schedule 5 as such form may be amended or modified by us, from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Agreement); and

8. From and after the date of this Agreement, Franchisee and its Owners shall not sell, transfer, assign, pledge, mortgage, hypothecate or encumber all or any direct or indirect ownership interest in Franchisee without first obtaining ours written consent in which consent shall be approved or denied within thirty (30) days of Franchisee's request.

S. Selection of Premises

For a Recycled Granite™ business that will be opening at a new retail store location, a Recycled Granite™ business can complement another business. Franchisee assumes all costs, liability, expense, and

responsibility for locating, obtaining, and developing a space for the Business to be established under the Franchise Agreement and for the build out and equipping the business at such Premises. For a Recycled Granite™ business that is not operating a retail store location, Franchisee can operate out of a location such as a small industrial or warehouse space that has approximately one thousand (1,000) square feet of space. If Franchisee chooses to operate out of a location, the space for the Business must be enclosed and separate from other businesses with its own locking door, unless otherwise approved by us in writing. Franchisee may buy or lease the required real property and improvements from any source and on terms approved by us in writing. On the execution of any lease for the Business, Franchisee will deliver to us a copy of the executed lease and an option to assume the lease executed by the lessor in favor of us in a form acceptable to us. All improvements to the Business Premises must be approved by us.

FRANCHISEE ACKNOWLEDGES THAT OUR ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY US THAT RECYCLED GRANITE™ FRANCHISE OPERATED FROM THE THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

Franchisee acknowledges that if operating out of a location, we have spent considerable amount of time choosing and creating the decoration and outfitting of a Recycled Granite™ business. It is part of our trade dress. Franchisee acknowledges and agrees that the design, layout and other characteristics of the Business for Recycled Granite™ business constitutes and/or contains Confidential Information and/or Trade Secrets of ours. Franchisee agrees that the Premises for the Business shall be maintained and operated as follows:

1. Franchisee will maintain every component of the Premises such as: all equipment, furnishings, fixtures, technology items and signage (if applicable) in good order and repair at all times as specified in the Operations Manual;

2. Franchisee will keep the Premises fully insured as specified in this Agreement and in the Operations Manual;

3. Franchisee will keep the Premises at all times in a clean and tidy condition and free of any advertising and promotional material other than that required by law or the Operations Manual, and will exhibit such signage, colors and logos at the Premises and upgrade or review the same as specified in the Operations Manual;

4. Franchisee will not alter or in any way amend the appearance of the Premises, or any equipment, furnishings, fixtures or signage, contained within the Premises as specified in the Operations Manual;

5. Franchisee will maintain all equipment, furnishings, fixtures, technology items and signage as specified from time-to-time in the Operations Manual and may be required to upgrade such items as technology advances or in our sole discretion because of new functionality so as to always use our then-current specifications;

6. Franchisee shall meet and maintain the highest level of health standards and ratings applicable to the operation of the Premises. Franchisee shall furnish to us, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or local governmental authority with jurisdiction over the Business; and

7. Franchisee may be required to use only approved service centers for repairs and maintenance of any equipment, furnishing, fixtures, technology items and signage on the Premises.

If Franchisee chooses to operate out of a location, Franchisee shall not execute a lease or sublease for the Business, or make any modifications or amendments to the lease, without our prior written consent, which we may grant, condition or withhold in our Business Judgment (as defined in Section XXI). Franchisee will deliver to us a copy of any lease for our review at least thirty (30) days before execution. Franchisee must deliver a copy of the signed lease or sublease to us within five (5) business days after it is signed. We do not offer legal services to Franchisee and Franchisee shall consult independent legal counsel for a legal review of the lease. Franchisee shall ensure that the lease for the Business contains, in an addendum or otherwise, the following provisions which:

1) Permit Franchisee to operate a Recycled Granite™ business in accordance this Agreement and the Manuals;

2) Provide that the Premises will be used only for the operation of a Recycled Granite™ business, and prohibit Franchisee from assigning or modifying any of Franchisee's lease rights, or extending the term without our prior written consent;

3) Require the lessor to concurrently provide us with a copy of any written notices (whether of default or otherwise) to Franchisee under the lease and give us the right to cure any default if we so choose; within fifteen (15) days following the expiration of the Franchisee's cure period under the lease;

4) Provide us with a right to take assignment and possession of Premises, without the lessor's consent or any additional consideration. If we exercise this right and Franchisee is in good standing, we'll sign a sublease with Franchisee for the same rent Franchisee is paying. In any case, we won't have any liability for any obligations incurred prior to our occupancy. Franchisee agrees to take whatever actions are necessary to accomplish such assignment and will when signing this Franchise Agreement, also sign the Collateral Assignment of Lease attached as Schedule 7. If Franchisee loses lease rights to the site in connection with any bankruptcy, the lessor will, on our request, enter into a new lease with us on essentially the same terms as the terminated lease;

5) Provide that the lessor consents to the use of the Marks, trade dress and other aspects of the System, as modified from time-to-time, and give us the right to enter the Premises during normal business hours for purposes of inspection, to take steps to protect the Marks and trade dress and/or prevent/cure any default.

6) Not contain any clause providing that if the Franchisee sells the assets of its Business, or the stock/membership units/partnership units of the Business, Franchisee must pay the landlord a certain percentage or a flat amount of the sale. Provided, that nothing in this sentence shall impair the Franchisee from entering into a lease that allows its landlord to impose a reasonable administrative fee for processing the assignment or sublease.

T. Development and Construction of Premises

If Franchisee chooses to operate out of a new location, rather than an already existing retail location, Franchisee must select and employ licensed contractors reasonably acceptable by us for the

complete build out and/or any leasehold improvements. Franchisee is solely responsible for the selection and work of any contractor selected and/or employed by Franchisee, even if referred by us, and for the preparation of working drawings necessary to complete construction and/or build out at the approved Premises. Franchisee will be provided with guidelines for the layout of the Premises along with suggested plans and specifications (interior and exterior) for the build out of the Premises which may include specifications for storage, furnishings, fixtures, signage and all décor items. We may, if needed, review Franchisee's final set of drawings or architect's final plans prior to implementation. Such drawings, plans and specifications are subject to alteration as may be necessary in our sole discretion and Franchisee must be in full and strict compliance with the drawings, plans and specifications approved by us. Franchisee is responsible for the cost and installation of all build out specifications. We reserve the right to receive rebates, commissions or other forms of consideration from designated or approved vendors and suppliers involved in the construction and fixturing of the Premises and to use such rebates, commissions or other consideration in any way we deem appropriate in our sole discretion, without obligation to share or remit any portion of such rebates, commissions or other consideration to Franchisee.

We would expect that if Franchisee operates the Business out of a location (such as a small industrial or warehouse space), the space will need minimal construction improvements, if any. Costs may vary widely depending on such factors as property location, climate, the condition of the property and the extent of alterations required for the property. Franchisee shall be responsible for obtaining all zoning classifications, clearances, permits and certifications which may be required by state or local laws, ordinances or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Premises. After having obtained such approvals and clearances, Franchisee shall submit to us, for our approval, final plans for construction based upon the preliminary plans and specifications. Once approved by us, such final plans shall not thereafter be changed or modified without the prior written permission of us. Any such change made without our prior written permission may constitute a material default under this Agreement and we may withhold our authorization to open the Business until the unauthorized change is rectified (or reversed) to our reasonable satisfaction.

Franchisee shall comply with all federal, state and local laws, codes and regulations, including without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Premises. If Franchisee receives any complaint, claim or other notice alleging a failure to comply with the ADA or other law or regulation related to health or safety, Franchisee agrees that it shall provide us with a copy of such notice within five (5) days after receipt thereof.

If Franchisee operates out of a location, Franchisee shall not open the Business for operation until we have determined that all construction has been substantially completed, and that such construction conforms to our standards including, but not limited, to materials, quality of work, signage, decor, paint and we have given Franchisee written approval to open, which approval shall not be unreasonably withheld. Our approval to open the Business for operation does not constitute a waiver of our right to require Franchisee to conform the Business to our standards.

U. Maintain Appearance of Vehicle

Franchisee acknowledges and agrees that the design, layout, appearance and other characteristics of the Vehicle (any type of new our used vehicle so long as it is reliable as described in Section XII.H of this Agreement and as specified in the Operations Manual) to be used in the operation of a Recycled Granite™ business constitute and/or contain Confidential Information and/or Trade Secrets of ours. Franchisee agrees that the Vehicle shall be maintained and operated as follows:

1. Franchisee will maintain the Vehicle and every component of the equipment in good order

and repair at all times as specified in the Operations Manual;

2. Franchisee will keep the Vehicle fully registered and roadworthy in accordance with applicable laws;

3. Franchisee will keep the Vehicle fully insured as specified in the Operations Manual.

4. Franchisee will keep the Vehicle at all times in a clean and tidy condition and free of any advertising or promotional material other than that required by law or the Operations Manual and will exhibit only approved graphics, signage, design, colors and logos on the Vehicle; and to upgrade or review the same as is specified in the Operations Manual;

5. Franchisee will not alter or in any way amend the appearance of the Vehicle unless as specified in the Operations Manual or approved by us;

6. Franchisee will maintain and upgrade the Vehicle as specified from time-to-time in the Operations Manual so as to always use our then-current vehicle specifications for a Recycled Granite™ Business.;

7. We strongly recommend that Franchisee uses an approved service center for repairs and maintenance of the Vehicle; and

8. Franchisee will drive, park and store the Vehicle in a safe and legal manner and location at all times.

V. Training

Prior to Franchisee's opening of the Business for operation, Franchisee, its Owners or Shop Manager shall complete to our satisfaction the three (3) day training program required by this Agreement prior to the date Franchisee anticipates opening the Business for operation. At our option, key personnel subsequently employed by Franchisee shall also complete the training program. We may, at our discretion, make available additional training programs, certifications, seminars, as well as refresher courses available to the Franchisee and/or Franchisee's designated individual(s) from time to time. We may, at any time, discontinue management training and decline to certify Franchisee and/or Franchisee's designated individual(s) who fail to demonstrate an understanding of the management training acceptable to us. If Franchisee or Franchisee's designated individual's management training is discontinued by us, Franchisee shall have thirty (30) days to present an alternative acceptable candidate for management training to us. If Franchisee's new candidate does not adequately complete the management training, then we shall have the option of terminating this Agreement. We shall provide instructors, training materials for all required training programs; and Franchisee or its employees shall be responsible for all other expenses incurred by Franchisee, its employees, or agents in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages.

W. Ongoing Training and Support.

The Franchisee will have access to our personnel for questions, ongoing training and support by phone and e-mail during regular business hours (Central Time Zone). We will continue to consult with and advise Franchisee on Products and Services; provide a telephone help hotline, free of charge, to answer any questions from Franchisee or its staff (Section XX.A of this Agreement), provide the Manual specifications in addition to vendor, supplier, product, equipment, marketing and operational updates as they become available; review advertising and supplier approval requests; and administer the System Advertising Fund.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Before Franchisee opens its Business, Franchisee must purchase insurance coverage from a responsible carrier with a performance rating of A or higher as rated in the most recent edition of Best Insurance Reports (or comparable criteria as we may specify). Franchisee must maintain such insurance throughout the duration of the initial term of the Franchise Agreement and any renewal terms. Franchisee will procure and maintain general comprehensive liability with a minimum policy limit of $1,000,000 per occurrence and $2,000,000 aggregate (this policy should include a property insurance rider for general tort, premises damage, personal and advertising injury) or in amounts specified by us.

Franchisee must also procure and maintain "All Risks" or "Special Form" insurance (coverage for the full cost of replacement of the premises and all other property); product liability insurance (covers Franchisee for damages that result in injury from products that Franchisee distributes); business interruption insurance to fully insure loss of earnings for a period of one-hundred and eighty (180) days or longer as we may specify; and automobile liability insurance with coverage of owned and hired vehicles with minimum coverage in amounts not less than $100,000 combined single limit (bodily and property damage) or what is in accordance with Franchisee's state guidelines. Franchisee may also need to procure and maintain statutory workers' compensation insurance with limits of greater than $100,000 or the minimum limits required by law.

Any construction, renovation, refurbishment or remodeling of a Business location, Franchisee must require that the general contractor maintain, with an approved insurer, commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builders' risk and independent contractor's coverage) with limits of no less than $1,000,000 per claim, naming Franchisee, us and our affiliates as additional insureds, as their interests may appear, together with workers' compensation and employer's liability insurance as required by law. It is Franchisee's responsibility to obtain certificates of insurance from the contractor prior to the initiation of any construction.

To the extent available, we may require Franchisee to obtain professional liability insurance (covers Franchisee for damages that do not result in property or bodily injury), employer's liability insurance, employment practices liability insurance, employee dishonesty insurance and crime insurance as well as other disability benefits type insurance as may be required by the statute or rule of each state, with policy limits of $1,000,000 or in the amount Franchisor specifies.

All insurance policies will name Franchisee as certificate holder and us and our affiliates as an additional named insured with waiver of subrogation by Franchisee for the benefit of us. We may establish minimum standards for coverage to be met by underwriters for insurance and we have the right to audit Franchisee's insurance policies at any reasonable time without notice. Before opening for operation, Franchisee will obtain any other liability insurance required by law, provide us with certificates of insurance within ten (10) days of issuance, and maintain all required insurance during the term of this Agreement. Franchisee shall also furnish us with certificates and endorsements evidencing insurance coverage within ten (10) days after each of the following events (i) at all policy renewal periods, no less often than annually and (ii) at all instances of any change to, addition to or replacement of any insurance. Lapses, alterations, or cancellations require immediate notice to us and may be deemed a material breach of this Agreement as set forth in Section XXIII.C. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, we may, but shall not be obligated to, pay the premiums or acquire insurance and bill Franchisee. Franchisee shall reimburse us for the full cost of such insurance, along with a

reasonable service charge to compensate us for the time and effort expended to secure such insurance. We may change these insurance requirements on reasonable notice to Franchisee.

Franchisee's insurance will cover all claims for injury, damage and death or otherwise, arising directly or indirectly out of the Franchised Business.

Franchisee shall notify us immediately in writing of the occurrence of any material event that does or could give rise to an insurable claim by Franchisee or the Franchised Business, and no later than the date on which Franchisee notifies its insurance carrier.

We reserve the right to change or modify (including increasing) the required minimum coverage limits. We make no representation or warranty to Franchisee that the amount of insurance to be carried by Franchisee under the terms of this Agreement is adequate to fully protect Franchisee's interest. If Franchisee believes that the amount of any such insurance is insufficient, Franchisee is encouraged to obtain, at its sole cost and expense, such additional insurance as it may deem desirable or adequate. Franchisee agrees to seek the advice of its insurance advisor regarding the appropriate types of coverage and coverage limits Franchisee may need to sufficiently protect its Business. Franchisee acknowledges that we shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Franchisee hereby expressly assumes full responsibility therefore and all liability, if any, with respect thereto.

Franchisee's compliance with insurance requirements shall not relieve Franchisee of its liability under the indemnity provisions of this Agreement, Section XVIII. Obligations to maintain insurance coverage will not be affected by reason of any separate insurance maintained by us, nor will the maintenance of such insurance relieve Franchisee of any obligations under this Agreement.

Franchisee shall also acquire tenant's liability insurance (if applicable); any other insurance required by the state or locality in which the Business is located and operated, in such amounts as required by statute; and other insurance coverage, as we or the landlord may reasonably require.

Franchisee shall furnish us with certified copies of each of the insurance policies described above on either the earlier of the opening of the Business for operation or ninety (90) days following the date this Agreement is executed.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting and Records

Franchisee acknowledges that the maintenance of accurate financial records and the preparation of financial statements on a timely basis are essential to the efficient operation of the Business. If Franchisee is not qualified to maintain accurate financial records, in our reasonable determination, the Franchisee agrees to hire a qualified bookkeeper who will maintain the financial records of the Franchise and who will attend the Business not less than once a month for that purpose.

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of five (5) years, full, complete accurate records of sales, payroll, accounts payable and accounts receivable in accordance with the standard accounting system described by Franchisor in the Operations Manual or otherwise specified in writing. Franchisee will keep its books and records related to the Business separate from any other business owned by Franchisee or its principals. Any such separate business will be conducted by a separate entity.

Franchisee will provide us all hard copy and electronic reports we prescribe on or before the fifth (5th) day of each month or daily if we require. Franchisee will deliver or provide electronic access to business records (we will have independent access to all information that Franchisee stores in any computer, laptop or software used for the Business), including an itemized report of Franchisee's Gross Revenue for the prior period on a form we prescribe, which will include payment for that periods' or months' fees due, and may include, to the extent that we require:

1. Franchisee's profit and loss statements, payroll records, certification or records of Gross Revenue (as defined in Section VI), vendor summary reports and report of account receivables for the month, week, day or period reported; and/or

2. Copies of any invoices and customer contracts with updated location information in any format Franchisor specifies;

3. Copies of all invoices for purchases of equipment, products, supplies or equipment;

4. Copies of all merchant account printouts received from the Franchisee's merchant account banking provider (i.e. records of credit and debit card transactions);

5. Copies of all bank deposits, and bank deposit records made by the Franchisee; and

6. A complete list of all customers, their email addresses, physical addresses and telephone numbers, who have canceled or terminated Service, filed a complaint (internally or with third parties such as the Better Business Bureau) or sought refunds for Products greater than one hundred dollars ($100) during the preceding month, by the fifth (5th) day of each month.

Franchisee acknowledges and agrees that we, at all times during and after termination, expiration or cancellation of this Agreement, have the right to access (electronically or otherwise) all Business Records of the Business. We may use, transfer, copy or analyze such Business Records as we determine in is sole discretion to be in the best interest of the System. For purposes of this Agreement, "Business Records" means all records, documents, insurance policies, databases and the like (whether in print, electronic or other form), including all names, addresses, phone numbers, email addresses, customer records, contracts, financing and purchase agreements, vendor and/or supplier records and all other records contained in databases created and maintained by Franchisee pertaining to the operation of a Recycled Granite™ business, including but not limited to customers, employees, vendors and other professionals related to the Business.

Franchisee will be required by us to obtain specified computer hardware and/or software, including, without limitation, a license to use Software if developed by us, or software from any of our vendors in accordance with Section XII.I of this Agreement and the Operations Manual. Franchisee agrees to pay all costs in connection with obtaining, maintaining, upgrading, etc. the hardware and software and other systems (and additions, modifications, maintenance or support). We have the right to

charge a reasonable fee for the license, modification, maintenance and/or support of Software (if developed) that we may license to Franchisee and other products and services that we furnish to you related to the computer and other systems.

Franchisee will adopt a fiscal year as designated by us and prepare all financial reports in accordance with U.S. generally accepted accounting principles, consistently applied. Franchisee must periodically deliver to us accounting, tax and other information or copies of documents, as we request.

B. Franchisor's Right to Audit

We or our agents may enter the Franchisee's location to examine or audit Franchisee's business at any reasonable time with twenty-four (24) hour notice. We will examine, inspect or audit Franchisee's database and Business Records, which records will include, but will not be limited to: payroll records, ledgers, sales reports, timecards, check stubs, bank deposits, bank statements, merchant account printouts, receipts, sales tax records and returns, payroll tax records, insurance policies and other documents. We will bear the cost of the audit except for when: Franchisee fails to report as required or understates Gross Revenue by 2% or more for any reported time period; in which case Franchisee will pay the audit costs plus interest at 18% per annum (1.5% per month) for all understated Gross Revenues or the maximum rate allowed by the laws of the State in which Franchisee's business is located as specified in the Operations Manual. Franchisee will immediately pay us all sums owed. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

In addition to the cost of the audit described above, Franchisee shall reimburse us for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging and wage expenses and reasonable accounting and legal costs), and, at our discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent certified public accountant satisfactory to us. If an inspection discloses an understatement in any payment to us of 2% or more, twice within any two (2) year period, such act or omission shall constitute grounds for immediate termination of this Agreement, as set forth in Section XXIII.C. The foregoing remedies shall be in addition to any other remedies we may have pursuant to this Agreement and as provided at law and in equity.

C. Method of Payment

All payments Franchisee makes to us will be by any method we specify, including cash, check, certified check, money order, credit card, automatic pre-authorized payment plan, Internet, or electronic funds transfer (as described in Section X.C of this Agreement). All payments to us and dollar amounts stated in this agreement are in United States dollars unless otherwise expressed. Notwithstanding any other provision in this Agreement to the contrary, in the event the United States currency is redeemed, renominated or another currency is issued in its place the new currency will be required. If a conversion of royalties or other payments from another currency is made, the conversion shall be made as of the date the payment is due, or the date the payment is actually made, whichever is more beneficial to us. Franchisee is responsible for any fees associated with payment methods other than cash or check.

D. Submission of Financial Statements

Franchisee will provide us with a copy of Franchisee's annual financial statements including a profit and loss statement and a balance sheet and containing complete notes and disclosures. Such statements will be prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), by an independent accountant, and will be delivered to us within ninety (90) days after Franchisee's fiscal year end.

E. Disclosure of Financial Statements

Franchisee hereby grants us permission to release to Franchisee's lenders or prospective lenders and to Franchisor's purchasers or prospective resell purchasers, any financial and operational information relating to Franchisee and/or the Business; however, we have no obligation to do so. Should we have acquire Franchisee's business and intends to sale it to a prospective franchisee, we may show such buyer Franchisee's financial statements and related information.

Franchisee also authorizes us to make reasonable inquiries of Franchisee's bank, suppliers and creditors concerning the Business and hereby directs such persons and companies to provide to us such information and copies of documents pertaining to the Business as we may request.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Owned by Franchisor

Franchisor warrants with respect to the proprietary Names and Marks that:

1. Pursuant to a License Agreement between us and Julie Rizzo, we have been granted the exclusive right to use the Names and Marks to establish Recycled Granite™ franchises in the United States.

2. We are taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

3. Franchisee acknowledges that there may be third party pre-existing users or applicants/registrants of trademarks, trade names, or business names similar to the Marks. We and Franchisee shall investigate such use, applications, or registrations, if any, and we shall in our sole discretion decide on the appropriate action to be taken. Any unsuccessful challenge made by us shall not constitute a ground for the termination of this Agreement. In the event we determine in our sole judgment that challenging any such third party's use of the Marks will not likely be successful, or would not be economically feasible to achieve, or if Franchisee shall be required to cease using the Marks (or any of them) by court order, or as a result of any settlement of any such trademark claim by a prior registrant or any pre-existing user, or any other such trademark claim, or if we shall deem it necessary or appropriate to change the name of the Franchise in order to mitigate any potential exposure or damages arising under any trademark claim, Franchisee shall promptly change the name of its Franchise, and thereafter utilize an alternative name established by us. We shall not otherwise be liable for any losses or any consequential damages, incidental damage, exemplary damages, special damages, including lost future profits, resulting from or arising out of any trademark service mark, and/or unfair competition claim(s). We shall have no obligation to reimburse the Franchisee for any costs, causes of action, damages, demands, expenses, fines, liabilities, or penalties, arising out of such a trademark, service mark, logo or trade name change.

4. We will use and permit Franchisee and other franchisees to use the Marks in compliance with the System and standards attendant thereto and contained in the Operating Manual as well as our policy statements, which underlie the goodwill associated with and symbolized by the Marks.

B. Franchisee is Licensed to Use Names and Marks

With respect to Franchisee's franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Marks as are approved in writing by us for Franchisee's use, and shall use them only in the manner authorized and permitted by us and that in any use whatsoever of our Names and Marks that the Names and Marks are identified as being registered to or owned by us;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from the Franchisee's web page and accepted Business location;

3. Franchisee shall use and display, as we may require in the operation of the Business, a notice in the form approved by us indicating that Franchisee is a "Franchise" of Recycled Granite™ and that the Names and Marks are used by Franchisee under such Franchise. Franchisee must indicate to third parties that it is "independently owned and operated" and we own the Marks and Franchisee uses them under a license;

4. Unless otherwise authorized or required by us, Franchisee shall operate and advertise the Business under the Name and Mark "Recycled Granite™";

5. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use shall constitute an infringement of our rights and material breach of this Agreement;

6. Franchisee must obtain our approval for any use of any item of printed material of any kind bearing any of the Names and Marks, unless we supplied the item. We shall approve or deny Franchisee's request, which approval is at our sole discretion, within thirty (30) days of receipt of Franchisee's written request. If we fail to respond to Franchisee's request within said thirty (30) day period, Franchisee's request shall be deemed denied. Franchisee shall use such notices of trademark registrations and copyrights as we specify;

7. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on behalf of Franchisor;

8. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name;

9. Franchisee shall not use the Names and Marks or any part thereof in any form on the Internet or any Website including but not limited to, addresses, domain names, URLs, links, metatags, locators and search techniques;

10. Franchisee shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for our Names and Marks or to maintain their continued validity and enforceability; and

11. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify us and shall cooperate fully with us in defending such litigation. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our sole opinion, reasonably are necessary or advisable to protect and maintain the interests of us or any other interested party in the Names and Marks. Other than what is stated in this Agreement, we are not obligated to protect Franchisee's right to use the Trademarks or protect Franchisee against claims of infringement or unfair competition with respect to them and may direct Franchisee not to use the Trademark or to change the trademarks at Franchisee's expense. We will control any and all such litigation, arbitration and mediation involving our trademarks. The Franchisee has no authority to institute any litigation, file an arbitration, or institute any request for mediation regarding our trademarks, nor does the Franchisee have any authority to enter into any settlement negotiations. Although we are not contractually obligated to protect the Marks or Franchise's right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously;

12. During the term of this Agreement and any renewal, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts and contracts, as well as at such conspicuous locations on the Premises as we may designate in writing. The form and content of such identification shall comply with standards set forth in the Operations Manual; and

13. Franchisee further agrees to follow all of our quality standards that are inherent in the Franchisor's Names and Marks. Such quality standards are contained in the Operations Manual, as well as various policy statements issued by us, and may be changed from time to time at our sole discretion.

C. <u>Franchisee Will Not Challenge Franchisor's Rights in Its Names and Marks</u>

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Julie Rizzo is the owner and we have all right, title and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

5. Any goodwill arising from Franchisee's use of the Names and Marks in its Business under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Names and Marks;

6. We reserve the right to substitute different Names and Marks for use in identifying the System, the Business and other franchised businesses operating there under;

7. Franchisee hereby agrees to comply, at Franchisee's expense, with any directions from us to discontinue, modify, substitute or add Names and Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Names and Marks. There is always a possibility that there might be one or more businesses using a name and/or marks similar to us with superior rights;

8. Franchisee hereby agrees not to register or attempt to register the Names and Marks in Franchisee's name or that of any other firm, person, business, or corporation.

9. The right and license of the Names and Marks granted to Franchisee is nonexclusive, and we thus have and retain the rights, among others:

   a. To use the Names and Marks and itself in connection with selling Products and Services;

   b. To use the Names and Marks to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify and only with our prior written consent. We retain the right to approve any linking to or other use of Recycled Granite™ website;

   c. To grant other licenses for the Names and Marks, in addition to those licenses already granted to existing franchisees; and

   d. To develop and establish other systems using similar Names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

10. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through its employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of Products, equipment and/or Software (if developed) bearing the Names and Marks licensed or other names or marks, including without limitation, products and equipment included as part of the System. Franchisee shall not under any circumstances engage in

any wholesale trade or sale of Products, equipment and/or Software for resale and/or independently act as an exclusive distributor for any third-party vendor or secure any exclusive rights for any Product, equipment and/or Software or non-System products, equipment or software without our written consent.

D. Ownership of Intellectual Property

Franchisee acknowledges that we are the exclusive owner of the Intellectual Property: the Names, Marks (some by license from Julie Rizzo), all Confidential Information, all intellectual property associated with the Names, Marks and the System, all vendor and supplier relationships, Employees and customer lists and all customer phone listings/addresses/URLs held by Franchisee. Franchisee agrees that Franchisee will not use these lists for any purpose other than in relation to the Franchised Business. Franchisee will, on demand, promptly deliver to us a complete list of Franchisee's customers, Employees including information we may request related to such customers and Employees. The use of any or all such intellectual property shall not create in Franchisee, its managing partners, members or shareholders title or interest in or to any of it except as expressly provided in this Agreement. Neither Franchisee nor any of its Owners shall directly or indirectly assert any right, title or interest in or to any of the Marks or any other part of the intellectual property other than as provided for in this Agreement. Franchisee acknowledges that we shall own all intellectual property rights to any materials provided to the Franchisee by us, or developed by the Franchisee pursuant to this Agreement. Such ownership rights shall be in all media, whether now known or hereinafter invented, by all means, methods and processes, including complete and entire interactive rights and rights to derivative works.

XVI. SPECIFIC OBLIGATIONS OF THE FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Franchisee Shall Learn Proprietary Matters

Franchisee acknowledges that it will obtain knowledge of proprietary matters, techniques and business procedures of ours that are necessary and essential to the operation of the Franchise, without which Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding our System, our Products, Services, programs, equipment and Proprietary Equipment; specifications for equipment, products and supplies; Vehicle appearance standards, photographs of projects, video presentations, sales and marketing techniques, community programs, advertising and promotional materials, operational strategies of the Business and the Operations Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of us that are unique and novel to the System. Franchisee acknowledges that Confidential Information shall also include:

1. Persons, corporations or other entities, which are, have been or become franchisees or Members of the System and any investors therein;

2. Persons, corporations or other entities, which are, have been or become customers of Business;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation: production strategies, Product knowledge and specifications, how to execute Services, installation

techniques, customer service standards, quality control strategies, using equipment, safety procedures, hiring, training and managing employees; cost and pricing strategies, sales techniques, contracts, forms and waivers, record keeping and accounting procedures, website information and maintenance, planning community programs, advertising and promotional programs; sales and marketing methods in addition to lists of approved vendors and suppliers;

5. The economic and financial characteristics of the System and franchisees, including without limitation: pricing policies, profitability, earnings and losses and capital and debt structures;

6. The Products and Services offered to customers of a Recycled Granite™ business, including, without limitation, the scope of products produced, services performed and services refused as well as all future product and service development plans, marketing strategies; and

7. All documentation of the information listed in Sections XVI.A.1 through XVI.A.7 including, without limitation, our training program and Operations Manual. During the term of this Agreement and for a period of five (5) years, following the expiration or termination of this Agreement, Franchisee agrees not to use, divulge, directly or indirectly, any Confidential Information, without our prior written consent. Nothing contained herein shall be construed so as to require Franchisee to divulge any secret processes, formulas, or the like.

B. Franchisee's Employees Will Not Disclose Confidential Information

Franchisee must keep the methods of operations (confidential information found in the Manuals and other documents) and Manuals confidential and not disclose them except to Franchisee's employees, agents and representatives, as they must have access to it in order to operate Recycled Granite™ business. Franchisee must follow all our security procedures, which include the execution and delivery to us of approved nondisclosure or non-competition agreement from each such Employee, agent or representative within one week after they are hired. These agreements state that such person shall not during the course of his/her employment, representation, or agency with Franchisee, or for a period of three (3) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of our Confidential Information.

The Manuals are and remain our exclusive property. We will loan Franchisee one copy (hard or electronic) for the term of this Agreement. Franchisee must return the Manuals (and/or destroy any electronic version of the Manual) to us at the termination or expiration of this Agreement for any reason, or at any other time at our request. The Manuals contain mandatory and suggested specifications, standards and operating procedures that we prescribe for franchised businesses and contain information about Franchisee's other obligations under this Agreement. We may change or add to the Manuals to reflect changes in its image, specifications, and procedures and methods of operation, and will lend Franchisee copies of any changes or additions. However, we will not make any change that will change Franchisee's fundamental status and rights under this Agreement. Franchisee cannot copy any part of the Manuals (except for designated training sections), either physically or electronically. If Franchisee's copy or the Manuals are lost, destroyed or significantly damaged, Franchisee must replace the Manual at its own expense as set forth in Section XX.G.

C. Relationship with Former Franchisees

Franchisee acknowledges that former franchisees (those whose franchise agreements have expired or have been terminated) or Members are in a position to compete unfairly with Franchisee and/or other members of System and to cause great injury to the reputation of the System and the Names and Marks. Franchisee therefore agrees as follows:

1. Franchisee will not sell, loan, give or otherwise transfer or deliver to any former franchisees or Members, or allow any former franchisees or Members to copy or otherwise obtain, any Confidential Information; any advertising or promotional materials produced by us or which bear any of our Names and Marks; any other materials (such a photographs or video presentations) or publications of ours, including, without limitation, the Operations Manual; any directory or roster of franchisees or approved vendors and suppliers; any other customer lists or mailing lists pertaining in any way to the System; or any other information about the System, business or Confidential Information which is not available to the public.

2. Franchisee will not refer prospective customers to any former franchisee or Member.

3. Franchisee will not notify or advise any former franchisee or Member of, or in any other way assist any former franchisee or Member in learning about, the date, time and place of any meetings of franchisees.

4. If Franchisee observes any former franchisee or Member using any of our Names and Marks in any way, or utilizing a business facility (including any vehicles) for which our Names and Marks and/or distinctive color scheme have not been completely obliterated, Franchisee shall immediately report such observations to us along with all details available to Franchisee.

5. Franchisee shall in general have no dealings with former franchisees or Members which Franchisee, under this Agreement, could not have with a person who has never been a Recycled Granite™ franchisee or Member.

6. The provisions of this Section XVI.C shall apply to Franchisee as soon as Franchisee is on notice of the expiration or termination of another franchise agreement or Member. Franchisee shall be deemed to be on such notice when:

   ii. Franchisee receives a new franchisee directory in which such franchisee or Member does not appear; or

   iii. Franchise receives written notice from us that one or more particular franchise agreements have expired or a franchisee or Member has been terminated.

D. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI will cause us irreparable injury, and we shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies, which we may have.

E. Franchisor's Patent Rights and Copyrights

We do not own rights in or to any patents that are material to the Franchise at this time. However, we claim copyright protection for the Operations Manual and all related materials, Software (if developed), website and all promotions, marketing, sales and advertising materials (including all photographs and video presentations) and operations literature. Such copyright protection and ownership shall extend to all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including rights to interactive works, and derivative works. Furthermore, we claim rights to certain trade secrets and Confidential Information as discussed above.

F. Franchisee Shall Not Contest the Franchisor's Ownership Right to Any Confidential Information, Trade Secrets, Patents or Copyrights

Franchisee expressly understands and acknowledges that:

1. To the best of Franchisee's knowledge our Confidential Information, trade secrets, copyrights, and patent rights are valid;

2. Franchisee shall not directly or indirectly contest the validity or the ownership of our Confidential Information, trade secrets, copyrights, and patents;

3. Franchisee's use of our Confidential Information, trade secrets, copyrights, and patents does not give Franchisee any ownership interest or other interest in or to the Confidential Information, trade secrets, copyrights, and patents, except the non-exclusive Franchise granted herein;

4. Any goodwill arising from Franchisee's use of our Confidential Information, trade secrets, copyrights and patents in its Business under the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any licensed Confidential Information, trade secrets, copyrights, and patents;

5. We reserve the right to substitute different Confidential Information, trade secrets, copyrights, and patents for use in operating and maintaining the System.

6. Franchisee hereby agrees to comply, at its expense, with any directions from us to discontinue, modify, substitute or add any new Confidential Information, trade secrets, copyrights and patents. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, we have no liability to Franchisee. Franchisee agrees to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding any licensed Confidential Information, trade secrets, copyrights, and patents.

7. Franchisee hereby agrees not to register or attempt to register any Confidential Information, trade secrets, copyrights, and patents in Franchisee's name or that of any other firm, person or corporation.

8. The right and license of the Confidential Information, trade secrets, copyrights, and patents granted to Franchisee is nonexclusive, and we have and retain the rights, among others:

a. To use the trade secrets, Confidential Information, patents, and copyrights and itself in connection with offering Products and Services;

b. To use the trade secrets, Confidential Information, copyrights, and patents to market on the Internet, including all use of Websites, domain names, URL's, linking, advertising and co-branding arrangements.

c. To grant other licenses for the trade secrets, Confidential Information, copyrights and patents, in addition to those licenses already granted to existing franchisees and Members; and

d. To develop and establish other systems using similar trade secrets, Confidential Information, patents, and copyrights, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

9. Franchisee understands and acknowledges that we have the unrestricted right to engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail and otherwise, in the production, distribution and sale of Products and equipment bearing the trade secrets, Confidential Information, patents, and copyrights licensed, including without limitation, products included as part of the System.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify us in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its Employees, customers, or other persons. The Franchisee shall give us advance written notice of Franchisee's intent to institute legal action against us, specifying the basis for such proposed action, and shall grant us thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

B. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business. Franchisee shall pay us an amount equal to any sales tax, gross receipts tax or similar tax imposed on Franchisor with respect to any payments to us required under this Agreement, unless tax is credited against income tax otherwise payable by us.

C. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor to occur against the site of the Business, or any improvements thereon.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in Franchisor's name or the name of any of our officers, directors, shareholders and employees. Franchisee further understands and agrees that we, and our officers, directors, shareholders and employees, shall in no event assume liability for, or be deemed liable as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee.

For the purposes of this indemnification, the terms "claim, loss or obligation" will include compensatory, exemplary or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts, judgments, compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing claims, losses or obligations.

Franchisee shall defend, indemnify and hold us and our officers, directors, shareholders and employees harmless against all fines, suits, proceedings, claims (including but not limited to, any safety and security claims, claims of injury, claims of theft, claims arising as a result of the operation and/or maintenance of equipment and/or vehicles, claims of neglect, abuse, death, vicarious or other liability), demands, actions, losses, damages, costs, expenses, fees (including legal fees, disbursements and related expenses), penalties and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with and/or related to any act, error and/or omission of Franchisee (including the ownership, operation and/or management of the Business) and/or any referral, service provider, supplier or other agent/independent contractor, Employee of Franchisee's including acts, errors or omissions committed or incurred, negligent or intentional acts in connection with Franchisee's operation of the Business and infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. This provision includes all claims as indicated above, of us, directly against Franchisee (without a third party involvement) due to acts or omissions of Franchisee in which we suffer damages including but not limited to, harm to our goodwill and reputation.

We will have the right to control all litigation, including selection and management of counsel, and defend and/or settle any claim, against and/or including us and/or our-related persons/entities, or affecting our and/or their interests with no obligation to Franchisee and without affecting our rights under this indemnity or otherwise. Franchisee may appoint separate independent counsel to represent Franchisee's interest in such suits, proceedings, claims, etc., all at Franchisee's expense. Franchisee's indemnification obligations survive the termination or expiration of this Agreement.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee's Principals

The term "Franchisee's Principals" shall include, collectively and individually, Franchisee's spouse, if Franchisee is an entity, all managing partners, general partners, members, managers, shareholders officers, directors, and other operational personnel whom we designate as Franchisee's Principals and all holders of an ownership interest in any entity directly or indirectly controlling Franchisee, and any other person or entity controlling, controlled by or under common control with Franchisee. The initial Franchisee's Principals shall be listed on Schedule 6 of this Agreement.

C. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding our: Products, Services, programs, equipment, Proprietary Equipment, strategies for securing raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; cost and pricing strategies, specifications and knowledge of equipment, products and supplies; hiring, training and retention techniques; Vehicle appearance standards, procedures for safety and customer service, operational procedures, sales, promotional, advertising and marketing materials and the System. Franchisee agrees that, during the term of this Agreement, except as otherwise approved in writing by us, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed or was at any time during the prior twelve (12) months employed by us or by any other franchisee or affiliate, or otherwise directly or indirectly induce such person to leave his or her employment.

Franchisee agrees that, except as otherwise approved in writing by us, Franchisee shall not, during the term of this Agreement and for a period of two (2) years from the date of (i) a transfer permitted under this Agreement; (ii) the expiration or termination of this Agreement (regardless of the cause for termination); or (iii) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section XIX.C, either directly or indirectly for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any type of granite or stone recycling business, granite and/or stone-related repurposing business or any business using any aspect of the System, the overall Recycled Granite™ business concept, with similar Products and/or Services of a Recycled Granite™ business within a ten (10) mile radius of the Premises designated hereunder, or within a ten (10) mile radius of any other System franchise or company-owned business in existence or planned as of the time of termination or expiration of this Agreement or any of our eighteen (18) existing Members, as identified in the Franchise Disclosure Document in effect as of the date of expiration or termination of this Agreement.

The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement. This covenant not to compete is given in part in specific consideration for access to trade secrets provided as a part of our training or ongoing support programs. In any jurisdiction in which the covenant contained in this Section XIX or any part of it is deemed not enforceable in whole or in part, Franchisee hereby grants us an option to purchase Franchisee's Business on expiration or termination of this Agreement. We may exercise this option by giving thirty (30) days' written notice to Franchisee (Sections XXII.C and XXII.E. Upon termination or expiration, Franchisee will deliver to us a list of these Assets (as described in Section XXIV.G) and their cost as well as receipts evidencing their cost. Franchisee must relinquish possession on receipt of payment, but no later than ninety (90) days after expiration or termination. Franchisee's other post termination obligations under this Agreement and by law remain in effect on termination or expiration of this Agreement.

D. Exception to Covenant Not to Compete

Section XIX.C hereof shall not apply to ownership by Franchisee or any of its Owners of less than a 5% beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement the term "publicly-held corporation" shall be deemed to refer to a corporation which has securities that has been registered under the Federal Securities Exchange Act of 1934.

E. Franchisee Will Not Divert Business

During the term of this Agreement and for a period of two (2) years following the expiration or termination of this Agreement, Franchisee agrees that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Solicit, service, sell or attempt to divert business to any competitor (including former referral network partners) by direct or indirect inducement or otherwise, or to any customers of its Business or to any other franchisees or Members including company-owned businesses, with which or with whom Franchisee has had business contact during the term of this Agreement; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

3. Induce, directly or indirectly, any person (regardless of position) who is at that time employed by us or by any other franchisee of us, to leave his or her employment. This also applies to any person (regardless of position) who was at any time during the prior twelve (12) months employed by us, company-owned business, any Member or by any other franchisee of us. The only exception is if Franchisee receives written consent by us or any other franchisee and works out some type of an arrangement to compensate the former employer for actual costs and expenses related to replacing the person.

F. Franchisor Is Entitled to Injunctive Relief

In addition to any and all other remedies and damages to which it is entitled, in order to protect our Names and Marks, Products, Services, Confidential Information, proprietary materials and rights and goodwill, we may seek a permanent injunction and the preliminary or temporary equitable relief we deem necessary, to restrain the violation of this Agreement by Franchisee or any persons, parties, and entities acting for Franchisee. Franchisee agrees that we may obtain the injunctive relief and enter it in any court or arbitration forum that we deem appropriate.

In recognition of the difficulty in determining on an expedited basis the value of, and the necessity of us to avoid irreparable harm and to protect our Names and Marks, Products, Services, Confidential Information, proprietary materials and rights and goodwill, Franchisee waives, to the extent permitted by law, the right to interpose the defense that we have an adequate remedy at law. Franchisee further waives any requirement that we post a bond or other security, to the extent permitted by law.

G. Covenants Are Enforceable Independent of Claims

Franchisee expressly agrees that the existence of any claim it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants of this Section XIX. Franchisee further agrees that we shall be entitled to set off any amounts owed by us to Franchisee against any loss or damage to us resulting from Franchisee's breach of this Section XIX.

H. Set-Off

Franchisee expressly agrees that the existence of any claims it may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section XIX. Franchisee agrees to pay all damages, costs and expenses (including reasonable attorney's fees) incurred by us in connection with the enforcement of this Section XIX.

I. Disclosure of Contact Information in FDD

Franchisee acknowledges that its contact information will be included in our Franchise Disclosure Document in the future, as required by Indiana and other state agencies and the Federal Trade Commission and that such inclusion may result in prospective franchisees contacting Franchisee.

XX. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE AND SERVICES

We will provide the Franchisee with the following assistance and services:

A. Training Programs

We will provide Franchisee with an initial training program at its headquarters or another location of its choice. The initial training program will take place after Franchisee pays the initial Franchisee fee and before Franchisee opens for business. We will provide this initial three (3) day training program without charge to Franchisee and/or up to two of its Owners and/or Shop Manager (total of three people) as designated by Franchisee prior to the date Franchisee anticipates the opening its Shop for operation. Franchisee will, however, be responsible for travel, accommodation and other costs for all its attendees. Franchisee must attend and satisfactorily complete training prior to Franchisee conducting business and opening the Shop for operation. If Franchisee, its Owners or Shop Manager fails to timely complete the initial training program to our satisfaction, Franchisee has the right to appoint another Shop Manager to be trained by us at Franchisee's expense and if the other Shop Manager does not satisfactorily complete the training to our satisfaction, then we may terminate this Agreement as described in Section XXIII.C. Any person designated by Franchisee to replace a previously trained Owner or Shop Manager must be trained by us within thirty (30) days of first employment, at Franchisee's cost as provided below. For a second or subsequent franchise, we will not be obligated to provide additional training to Franchisee.

We may reasonably require Franchisee, its Owners and/or Shop Manager to receive or attend and complete to Franchisor's satisfaction additional or advanced training from time to time. Any such training before the Opening (as defined in Section IX) of the Business will be at no charge to Franchisee. Thereafter, Franchisee must pay for such training at our actual cost of up to $250 per person per day.

Franchisee must also pay travel, food, and accommodations and all other related expenses. We may attempt to use distance learning techniques where possible, to minimize these costs.

Depending on availability, we may provide additional training to Franchisee or its Owners and/or Shop Manager at Franchisee's request. Franchisee may be required to pay us any additional costs over and above the additional training fees such as travel that we reasonably incur should training be held at Franchisee's Business. If additional training is held at our corporate headquarters, Franchisee will be responsible for travel, food and accommodations and other expenses of its trainees.

We offer training resources, such as an Operations Manual, to assist franchisees at their business location. Franchisee shall give us not less than on month notice of when Franchisee is available for training. Training dates must be mutually agreed upon by Franchisee and us.

i. We shall also offer additional training resources to the Franchisee to be determined by us, for the operation, advertising and promotion of the Business including refresher training programs, seminars, workshops, annual conference and/or information available through the intranet system for the benefit of the Franchisee and the Franchisee's employees. We may charge a reasonable fee for additional training if deemed appropriate (distinct from continuing education as described below) but not to exceed the additional training fee. Any and all traveling, living and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending our training shall be paid by Franchisee.

ii. We may conduct an annual conference at such place as shall be designated by us for all Franchisees but initially will most likely be at our headquarters. A registration fee for each participant may be required not to exceed $500 per person and Franchisee's expenses as Franchisee will be responsible for costs associated with attending the conference such as travel, room and board. We reserve the right to increase the fee a reasonable amount based on reasonable criteria.

iii. We may provide refresher or continuing education sessions "Continuing Education" through the phone, web based (webinars), video or at locations designated by it but most likely at our headquarters. Continuing Education sessions (other than by phone, webinars or video) may have a registration charge of $250 per day per person. Franchisee is responsible for costs associated with attending the meetings such as travel, room and board or our expenses (such as travel, room and board) if we provide Continuing Education sessions on site at Franchisee's Shop. The programs will normally not exceed two (2) days and it is expected to at least have quarterly programs subject to special need. The content will cover particular aspects of the franchise including but not limited to: stone splitting and sorting processes, methods and techniques; best practices for hiring and training employees, standards for servicing customers, new equipment, products or services; trends in the industry, operational guidelines, safety, website and software developments, sales, marketing, administration and so forth. We reserve the right to increase the per day fee a reasonable amount based on reasonable criteria.

We may, but are not obligated to, offer additional training resources to the Franchisee to be determined by us, for the operation, advertising and promotion of the Business which may include

certification programs, seminars, workshops, annual convention and information available through franchisor's intranet system for the benefit of the Franchisee and the Franchisee's employees. After the completion of the initial training program, any additional training may be subject to a fee of up to two hundred and fifty dollars ($250) per person per day. Any and all traveling, living and other expenses incurred by the Franchisee or Franchisee's representatives or employees attending any training shall be paid by the Franchisee.

As part of the initial training program, we will provide Franchisee with: a written list of approved Products Franchisee can produce and sell; a written list of approved Services and programs Franchisee is required and may offer in its Business; a written list of approved equipment, products, supplies and services (as described in Section XII.I) Franchisee is authorized to purchase and use; a written list of approved vendors and suppliers to purchase equipment, products, supplies and services from; a written list of Vehicle appearance standards; Product specifications in addition to strategies for purchasing equipment, products and supplies; production strategies, inventory management systems, recommended procedures and recommendations for hiring and training Employees, operational standards, customer service, safety procedures, suggesting pricing and/or rates for Products and Services, in addition to sales training, advertising, marketing materials (including photographs of jobs and video presentations) and promotional programs that have been developed by us (or our affiliates) and are necessary in the operation of each Business. We reserve the right, in our sole discretion, to add, modify, change or discontinue any Product, Service or program Franchisee can sell or offer; or any piece of equipment or product Franchisee is required to use in its Business from time to time as specified in Sections XII.H and XII.I of this Agreement. Franchisee will be responsible for all costs associated with the administration of such changes.

We will provide Franchisee with a startup kit during the initial training program that includes some Products, packaging and marketing materials to help accelerate the opening of the Franchisee's Business. This startup kit will be provided to Franchisee during the initial training program and will include an inventory of: ten (10) finished necklaces, twenty-five (25) finished wine stoppers, ten (10) sets to whiskey rocks, a total of fifty (50) different size boxes, one hundred (100) business cards, and two (2) logoed shirts in addition a variety of tradeshow and printed marketing materials along with other miscellaneous items that will be useful in operation of the Business. We will provide this startup kit to Franchisee at our cost.

We will provide Franchisee with any Software, if developed. We will provide specifications for computers and software programs necessary to operate the Business that includes training for such software as part of the initial franchise training program. We shall also provide guidance for the requirements, if any, for a computer and related software programs. In addition, we may provide technical support, ongoing assistance, consultation and upgrade requirements for Franchisee's computer and software programs. We will update and make changes to its Software, if developed, as we deem necessary. All costs associated with installation, upgrading, protecting and maintaining the computers and all other software programs necessary for the operation of the Business are the sole responsibility of the Franchisee.

We will provide one (1) day of either pre-opening or grand opening supervision assistance onsite at Franchisee's Shop. Franchisee shall give us not less than thirty (30) days' notice of when Franchisee wants us to provide either pre-opening or grand opening supervision and guidance. The dates for our visit for such assistance and guidance must be mutually agreed upon by Franchisee and us. Such assistance shall be completed no earlier than two (2) weeks prior to the opening date of the Shop for operation and completed no later than ninety (90) days once the Shop is open for operation. Any costs incurred by us in connection with the pre-opening or grand opening supervision and assistance onsite at Franchisee's Business within the timeframe as described above will be paid by us. If Franchisee does not take advantage of this onsite assistance and guidance within the timeframe described above, then we are not obligated to provide such assistance to Franchisee without charging Franchisee for the actual wages and travel expenses incurred by

us. For Franchisee's second and subsequent Businesses, we will provide the same type of pre-opening or grand opening supervision and assistance as described above; however, Franchisee will be responsible for actual wages and travel expenses incurred by us. In such circumstances where Franchisee is responsible for actual wages and travel expenses, we will provide Franchisee with invoices for amounts owed and we may require Franchisee to pre-pay all or a portion of the actual amounts incurred by us. Additional support requested by Franchisee will be subject to the training charges as described in Section XX.A.

We will provide additional guidance in the operation of Recycled Granite™ business and provide assistance to resolve operational challenges Franchisee may encounter outside the scope of the Operations Manual. This guidance can be furnished in whatever manner we consider appropriate in its Business Judgment, including electronically via an intranet system, free of charge, to answer questions from Franchisee and its staff (during regular business hours Central Time Zone). Guidance may also be furnished in writing, telephonically, through training programs and/or on site consultations, web based computer training, among other methods. Onsite consultations are subject to additional training fees as mentioned above.

We will provide guidance to Franchisee in its efforts to obtain all certifications, licenses and permits required to operate the Business. Ultimately, however it is Franchisee's responsibility and obligation to obtain and maintain all such certifications, licenses and permits and all out of pocket costs associated with obtaining and maintaining such certifications, licenses and permits as described in Section XII.C of this Agreement.

We may, from time to time, provide to Franchisee, at Franchisee's expense, such advertising and promotional plans and materials for local advertising and may direct the discontinuance of such plans and materials, from time to time. All other advertising and promotional materials that Franchisee proposes to use must be reviewed and approved by us, pursuant to Section XII.L of this Agreement.

We may provide announcements, memos, bulletins, brochures, manuals and reports, if any, as may from time to time be published by or on its behalf regarding our plans, policies, new developments and activities. In addition, we may provide such communication concerning new Products, Services, programs, equipment, production techniques and improvements to management of the Business that we determine are relevant to the operation of the Business and communication with other franchisees by means of an intranet system. We may also establish a Franchisee elected peer group whose main purpose will be to mentor, support each other and regularly communicate to franchisees. We have the power to dissolve, merge, or change such peer advisory groups.

We shall offer assistance to Franchisee in establishing administrative, record keeping and accounting systems. We will also provide Franchisee with all update and upgrade requirements for computers and related software programs in response to changes in the Operations Manual, or changes in its policies that are communicated to Franchisee in writing. The cost for such updates and/or upgrades is Franchisee's responsibility.

We will provide a telephone help hotline, free of charge, to answer any questions from Franchisee or its Shop Manager (during regular business hours, Central Time Zone). Franchisee will also be able to send us questions and suggestions using Internet email or intranet system as described above. We will consult with Franchisee at no additional charge regarding policies, sales, marketing and operational issues.

All of our obligations under this Agreement shall benefit only the Franchisee, and no other party is entitled to rely on, enforce, benefit from or obtain relief for breach of such obligations, either directly or by subrogation.

B. Web Page

We will provide to Franchisee a Recycled Granite™ URL or web page housed within the corporate website at no additional cost. Franchisee may customize parts of the web page with our approval however the look is to remain consistent as specified in the Operations Manual. Franchisee agrees and acknowledges that maintenance and any changes, edits or updates to the web page and/or any Website promotions over the Internet must be performed by us, our affiliates and/or approved vendors. Upon approval of Franchisee request, which must be submitted in writing, Franchisee is responsible for the cost of such changes. Franchisee may neither establish nor use any Website without our prior written approval and if such approval is granted Franchisee must comply with our requirements regarding discussing, advertising or disseminating any information on a Website, regarding the Business as described in Section VI of this Agreement. Such approval may be revoked at any time by us in our sole and absolute discretion. We shall own all copyright and other intellectual property rights to the web page, as well as the contents of the corporate website or any other Website upon expiration or termination of this Agreement as described in Section XXIV.E. This shall include ownership rights in all media, whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including interactive rights and rights to derivate works.

C. Premises Selection

The Franchisee has the responsibility for selecting the Premises for the Business. Whether Franchisee chooses to operate out of an already existing retail location or out of a new location (such as a small industrial or warehouse space as described in Section XII.S) we will review and approve or disapprove the location of Premises and will not unreasonably withhold our approval. If Franchisee chooses to operate out of a location, we must review and approve the lease prior to the lease being signed. If Franchisee proposes to purchase property, we must review and approve the purchase contract prior to being signed. We will have the right, but not the obligation, to inspect the Premises prior to opening.

We do not represent that we have any special expertise in selecting locations, and/or negotiating leases. Our approval of a location is not a representation or warranty that Recycled Granite™ business will be profitable or that Franchisee's sales will attain any predetermined levels. Approval is intended only to indicate that the proposed location for the Business meets our minimum criteria for identifying locations. Franchisee agrees that our approval or disapproval of a proposed location does not impose any liability on us, or our employees, agents, shareholders, or owners.

D. Premises Layout and Design

If Franchisee chooses to open a location for the Business, provided that Franchisee leases a space in an existing building, we will provide Franchisee with guidelines for the layout and design of the Premises prior to the Franchisee signing a lease. The build out, costs of leasehold improvements, signage and other items necessary for finishing out the Premises are the responsibility of the Franchisee. Franchisee may be required to adapt, at Franchisee's expense, any suggested plans and specifications to the Premises, subject to our approval, as provided in Section XII.T of this Agreement, which will not be unreasonably withheld, provided that such plans and specifications conform to our general criteria. We may, if needed, review Franchisee's final set of drawings or architect's final plans prior to implementation. We do not represent that we have any special expertise in approving final drawings or architectural plans. Our approval of Franchisee's drawings or architectural plan is not a representation or warranty that such plan will meet local permitting requirements or that such plan will not have to be revised or done over again in order to get final approval by local authorities. Approval is intended only to indicate that the Shop is set up and meets our minimum criteria. Franchisee agrees that our approval or disapproval of Franchisee's final set of drawings or architectural plans do not impose any liability on us. The costs of leasehold improvements, equipment,

furniture, fixtures, technology items, signs and décor for finishing out the Shop are the responsibility of the Franchisee. Franchisee is responsible for all lease negotiations.

Franchisee understands and acknowledges that we have the right to modify the final set of drawings, architectural plans, floor plans and/or specifications as we deem appropriate, periodically (however we will not modify the final set of drawings, architectural plans, floor plans and/or specifications for the Shop as developed pursuant to this Agreement once those final set of drawings, architectural plans, floor plans and/or specifications have been approved by us and given to Franchisee).

E. Hiring Employees

We will provide Franchisee with recommended hiring guidelines when hiring Employees (defined in Section XII.F of this Agreement) for the Business. Such recommendations and suggestions will be covered in the initial training program and are specified in the Operations Manual. Franchisee understands that such recommendations and suggestions will be updated and may change periodically at our discretion. Franchisee can negotiate any rate for Employees. Franchisee may be provided with a recommended rate or wage schedule and may elect to use, subject to applicable laws, these rates or wages as a guide when hiring Employees. Franchisee acknowledges that we have made no guarantee or warranty that using such recommended or suggested rates or wages will enhance Franchisee's sales or profits. Rate or wage negotiations with Employees are the sole responsibility of the Franchisee. Franchisee acknowledges that it is fully in charge of hiring of all employees and for managing those employees on an on-going basis. Our input as to hiring and management of employees are suggestions and guidelines which we believe are important, and except for specific requirements set forth in this Agreement or the Manual, Franchisee is responsible for making all employee related decisions.

Failure of Franchisee to adhere to the requirement of criminal background checks for all prospective Employees may be considered a breach of this Agreement, and we may terminate, in our sole discretion the Agreement, except where the Franchisee has reasonable cause to deviate from our standards as described in Section XXIII.C of this Agreement.

F. No Warranties Other than in Writing

With respect to any equipment, products, supplies and/or services (as defined in Section XII.I) provided by us or our affiliates and/or any person/company referred/approved by us or our affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided without any warranties, express or implied, the warranties of merchantability and suitability for a particular purpose being expressly disclaimed. In addition, we make no warranties regarding any open source code contained in any software that we may provide to the Franchisee. We do not warrant that any such software shall be free of bugs, viruses, worms, or Trojan horses.

We are not liable for any guarantee or warranty the Franchisee, its Owners, Shop Manager or Employee of the Franchisee makes to a customer or to any third party. Franchisee will fully comply with any of our customer service program that we may develop and implement. Franchisee will not misrepresent or omit or fail to state any warranty or guarantee to customers or third parties.

G. Operations Manuals

We will revise the Operations Manual and the contents of any other manuals and materials created or approved for use in the operation of the Business, from time to time as we deem necessary to improve on the methods of operations. Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard. We will lend Franchisee the

confidential Operations Manual for the initial training program and if Franchisee satisfactorily completes training, for the term of this Agreement. If the copy of the Operations Manual loaned to Franchisee is lost, stolen or destroyed before Franchisee returns it to us, Franchisee must replace the Operations Manual at its own expense.

Franchisee shall at all times treat the Operations Manual, and any of our written directives, any business plans and specifications, and any other manuals created for or approved for use in the operation of a Recycled Granite™ business, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Operations Manuals, written directives, other manuals and materials, and any other confidential communications provided or approved by us, shall at all times remain our sole property and shall at all times be kept and maintained in a secure place at the Premises.

Any suggestions the Franchisee may have concerning the improvement of our website or Franchisee's web page, Products, Services, programs, vendors and suppliers, recommended procedures, service format and methods, advertising, promotional and marketing materials are encouraged and shall be considered by us when adopting or modifying the standards, specifications and procedures for the System.

H. Selecting Vendors, Suppliers and Vehicle Specifications

We will provide Franchisee a written list of approved vendors and suppliers that may include or be limited to us or our affiliates for all equipment, products, supplies and services (as described in Section XII.I) necessary for the operation of the Business. Franchisee may submit in writing alternate vendors or suppliers to us for approval as described in Sections XII.H and XII.I of this Agreement.

We will also provide Franchisee with a written list of Vehicle appearance standards (including vehicle graphics if Franchisee chooses to use such graphics to advertise its Business) necessary for the operation of the Business. Franchise is encouraged to use its own Vehicle or can purchase a used or new Vehicle for the operation of the Business as specified in Section XII.H of this Agreement. All costs associated with obtaining and maintaining the Vehicle is the sole responsibility of the Franchisee.

I. Availability of Equipment, Products and Supplies

We will use commercially reasonable efforts to ensure that authorized vendors and suppliers, which may include or be limited to us and/or our affiliates, maintain a reasonable supply of equipment, products and supplies (as described in Section XII.I) for purchase by Franchisee. We require that the Franchisee purchase such items from us and/or our affiliates. We will provide Franchisee with a written list of our approved vendors and Franchisee is responsible for acquiring such items necessary for the operation of its Recycled Granite™ Business. All items that are provided by us will be competitively priced, taking into account equivalent quality and other considerations as specified in the Operations Manual.

We reserve the right to establish suggested prices and rates for Products and Services from time to time based on competition prevalent within the stone recycling industry (as further described in Section XX.K). We reserve the right to publish inventory and minimum representation requirements in the Operations Manual and such requirements may be amended from time to time by us and in our sole discretion.

We also reserve the right to implement a centralized purchasing system for franchisees and to negotiate prices and terms with vendors and suppliers and to receive rebates or other financial incentives

from such purchases by franchisees. We may utilize such rebated funds in any manner it chooses in our sole discretion as more fully described in Section XII.I. If developed, we reserve the right to require Franchisee and other franchisees to purchase all equipment, products, supplies and services through our proprietary intranet system.

J. Advertising and Promotion

We shall develop and provide creative materials for local and regional advertising and make such advertising materials available to its franchisees for publication or distribution in the Franchisee's market area at Franchisee's own expense. We shall provide specific guidelines for advertising initiated by individual franchisees and shall reserve the right to disapprove any advertising, which, in our opinion, is not in accordance with these guidelines. However, no approval shall be unreasonably withheld or denied. Immediately upon notification to do so, Franchisee shall discontinue any advertising that would, in our opinion, be detrimental to any franchisee or any part of the System or the Franchise.

K. Suggested Pricing for Products and Services

We shall provide guidance and suggested pricing and/or rates for Products and Services offered by Franchisee. Franchisee shall have the right to offer Products and Services at any price or rate Franchisee may determine, except that we reserve the right to establish minimum and maximum pricing and rates for any given Product or Service nationwide to the extent allowed by federal and state laws as explained in Sections XII.H and XII.I. Suggested pricing and rates for Products and Services may vary from region to region to the extent necessary in order to reflect differences in costs and other factors applicable to such regions. If Franchisee elects to offer any Product and/or Service at any price or rate recommended by us, Franchisee acknowledges that we have made no guarantee or warranty that offering such Products or Services at the recommended prices and/or rates will enhance Franchisee's sales or profits.

We will provide Franchisee with recommended procedures when accepting returns from customers for Products in addition to a sample set of forms including contracts, waivers, customer agreements, marketing materials and various operational forms for use in the Business. We do not warrant the completeness, legality or enforceability of any agreements or forms. Franchisee must retain its own counsel to review and revise such agreements and forms to comply with applicable federal and state laws. At our discretion, any and all forms used by Franchisee shall be subject to our review and approval and our decision of such approval will be provided within thirty (30) days after such forms are received by us.

We will continue to research and develop new Products, Services, programs and equipment as it deems appropriate and in our sole discretion. We may conduct market research and testing to determine consumer trends and salability of new Products and Services. If we choose Franchisee, Franchisee will participate in a market research program to test new Products, Services, programs or equipment in the Business and provide us with timely reports and other relevant information regarding that market research. We will own all copyright and other intellectual property rights to all such reports provided by the Franchisee pursuant to this Section, in all media whether now known or hereinafter invented, by all means, methods, and processes, whether now known or hereinafter invented, including complete and entire derivative rights and rights to interactive works. If Franchisee participates in any test marketing, Franchisee agrees to purchase, at Franchisee's expense, a reasonable quantity of products and/or equipment being tested, effectively promote such products and make a good faith effort to sell them. Franchisee shall participate in and comply with all sales and promotional programs and/or Product promotions established by us periodically.

L. Business Planning Assistance

After Franchisee signs this Agreement, we may review and comment on any business plan and pro

forma financial projections Franchisee prepares. We do not represent that we have any special expertise in reviewing or developing business plans or that any business plan reviewed by us will result in any profits, revenues, incomes, margins, or sales. Our review and commentary of a business plan or financial pro-forma is not a representation or warranty that the Franchisee's business will be profitable, that the Franchisee will earn any revenues, or that Franchisee's sales will attain any pre-determined sales levels. Our review and commentary is intended only to provide information sharing to Franchisee and Franchisee agrees that such review and commentary does not impose any liability on us. Franchisee specifically acknowledges that we have not reviewed or commented on any business plan or pro-forma prior to the Effective Date of this Agreement.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and absolute discretion and as we may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular Business or circumstance, business potential, demographics, density of population or trade area, existing business practices, or any other condition which we deem to be of importance to the successful operation of such Franchisee's Business. Franchisee shall not have any right to object to a variation from standard specifications and practices granted to any other franchisee and shall not be entitled to require us to grant to Franchisee a like or similar variation, unless the laws of the Franchisee's state expressly requires us to grant such similar variation.

Franchisee acknowledges that when we use the phrases "sole and absolute discretion", "sole discretion" and/or "Business Judgment", whether in this Agreement or another context, you and we agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions except that we will not do so arbitrarily. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider Franchisees individual interests or the interests of any other Franchisee(s). You, we and all other franchisees have a collective interest in working within a franchise system with the flexibility to adjust to business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. Therefore, you and we agree that the ultimate decision-making responsibility for the System must be vested in us. So long as we act in compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

XXII. RELOCATION, ASSIGNMENT, TRANSFER, SALE OR REPURCHASE OF FRANCHISED BUSINESS

A. Relocation

Any relocation of the Premises (1) shall be to a location within the Territory (unless waived by us), (2) requires our prior written consent, which we may grant, condition or withhold in our Business Judgment (and may be withheld, in any case, if you are not in good standing), (3) will be at Franchisee sole expense and (4) may require that Franchisee (and each Owner) sign the general release.

B. General Requirements for Assignment by Franchisee

Franchisee shall not voluntarily or involuntarily transfer or encumber any interest in or ownership or control of Franchisee, the Franchised Business or this Agreement (however Franchisee is allowed to transfer up to 20% of its shares or other ownership interests as described below), except in the ordinary course, of business, or make any lease or sublease of any property Franchisee is leasing or subleasing in connection with the Business, without our prior written consent, which will not be unreasonably withheld.

Any attempted transfer of any interest in the Business without our prior written consent will be a default under the terms of this Agreement, and will be voidable by us. In granting any such consent, the Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and having settled all outstanding accounts with us, our affiliates and all suppliers;

2. The proposed transferee (or its partners, members, managers, directors, officers, or controlling shareholders, if it is a corporation, limited liability company or partnership) must meet our then-applicable standards;

3. The proposed transferee (or its owners if an Entity, managers, directors or officers) must not operate a franchise, license another or operate any other business offering services and products similar to those offered by a Recycled Granite™ business without our permission;

4. We shall charge a flat transfer fee of $5,000 to Franchisee when transferring a part of its Business; or a flat transfer fee of $10,000 when Franchisee transfers its entire Business upon our written consent. The term "flat transfer fee" means that Franchisee shall pay this amount regardless of whether our actual cost to process the transfer is higher or lower than such amount. The transfer fee will include, but not be limited to, reasonable attorney's fees actually incurred, the cost of investigating the transferee and our administrative expenses (including employee salaries, sales staff commissions, travel costs, telephone charges, out of pocket costs properly attributable to the transfer). In addition if the transferee was already in our lead database at the time of first contact between Franchisee and the transferee, we may require Franchisee to pay the flat $5,000 or $10,000 fee described above, plus the amount of any broker fees that we are responsible for paying to third parties (does not include our employees);

5. Transferee must pay for and successfully complete the training programs then required of new Franchisees at a cost of $250 per person per day and our expenses, subject to increase from time to time;

6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and our subsidiaries or affiliates and, at the time of transfer, shall not be in default;

7. Franchisee shall have executed a general release, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as we may request) shall enter into a written assumption agreement, in a form satisfactory to us, assuming and agreeing to discharge all of Franchisee's obligations, known by transferee after reasonable inquiry, under this Agreement;

9. The transferee must meet our subjective and objective standards, including experience, talent, skills, educational, managerial, business, and financial capacity; has the aptitude and ability to conduct a Recycled Granite™ business; and has adequate financial resources and capital to operate the Business; and the transferee's Shop Manager must complete the training program to our satisfaction;

10. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as we may request) shall execute and

agree to be bound by the then current form of this Agreement, which form may contain provisions that materially alter the rights or obligations under this Agreement. Alternatively, we may in our sole discretion require the transferee to sign the then current form of this Agreement then being used by us, except the following may differ (i) the term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, (ii), the transferee shall sign all other ancillary agreements as we may require for the Business as required under the then current form of this Agreement, which agreements shall supersede this Agreement in all respects, and
(iii) examples of such changes also include, without limitation, higher royalty fee payments, advertising contributions and renewal rights;

11. The transferee's royalty payments will not start over. For all transfers, royalty payments may continue at Franchisee's current rate or be subject to the then-current form of Agreement, as determined by us in our sole discretion;

12. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the System and shall complete the upgrading and other requirements within the time specified by us;

13. Franchisee shall remain liable for all of the obligations to us in connection with the Business incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

14. Franchisee must obtain and submit satisfactory evidence of transfer or consent of lenders, lessors and governmental authorities for all material permits, approvals and licenses;

15. Franchisee may transfer up to twenty percent (20%) of its shares or other ownership interests to any person or entity, in the aggregate, without invoking this provision, provided that in connection with any such transfer of more than ten percent (10%) ownership the transferee executes the same Guarantee and other agreements which would be required upon execution of this Agreement by Franchisee, if such transferee had then been the owner of such percentage of Franchisee's ownership interests. Franchisee's transfer of an ownership interest without complying with the foregoing, or transfers of more than twenty percent (20%) ownership in the Franchisee's entity, in one or more transfers, without our prior written approval is a material breach of this Agreement;

16. The transferee shall agree to a sublease or to a transfer and assignment, and assumption of the lease of the Business from the original Franchisee, and shall obtain the landlord's approval if required prior to any transfer or sublease, if applicable;

17. The transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws, including but not limited to licensing and operations-related laws and/or laws governing franchise sales;

18. Franchisee agrees that we may (but are not required to) discuss with Franchisee and/or the proposed transferee any matters related to any transfer and/or proposed transfer at any time which we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of the Franchise, etc.). Franchisee expressly consents to any such discussions by us and we may contact any proposed transferee directly regarding such matters or otherwise;

19. Neither Franchisee nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed transfer. Franchisee acknowledges and agrees that an approval of a proposed transfer shall not be deemed to an approval of the terms, nor any indication as to any likelihood of success or economic viability;

20. Franchisee and its Owners and/or Principals will agree not to compete, not to divert customers of us, or attempt to hire employees, after the transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section XIX.C of this Agreement; and

21. Franchisee and its Owners and/or Principals will not directly or indirectly at any time or in any manner (except with respect to other Recycled Granite™ business that Franchisee or its Principals own and operate) identify itself or any business as a current or former Recycled Granite™ business or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Recycled Granite™ business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggest or indicates a connection or association with us as described in Sections XXIV.A and XXIV.C of this Agreement.

In addition, the Franchisee must submit copies of the draft Asset Purchase Agreement or Stock (Membership Unit) (Partnership Unit) Purchase Agreement, all draft Promissory Notes, and Security Agreements, with the transferee, regardless of whether they are Franchisee financed or lender financed. In addition to all other grounds for rejection, we have the right to reject any proposed purchase of the assets of the Franchised Business or the stock, membership units, or partnership units of the Franchised Business on the grounds that the proposed Franchisee has in our sole opinion taken on too much debt.

C. Transfer, Sell or Assignment by Franchisor and Franchisor's Right of First Refusal

We have an unrestricted right to purchase, transfer or assign its rights or obligations under this Agreement to any transferee or other legal successor to the interests of our and will give Franchisee thirty (30) days written notice of our decision to exercise our right of first refusal.

We will have a right of first refusal regarding any proposed transfer, by Franchisee or an Owner of Franchisee, subject to this Agreement. During the term of this Agreement, if Franchisee, any of its Owners wish to sell, assign or otherwise transfer an interest in this Agreement, the Franchised Business and/or its assets, or an ownership interest in Franchisee (collectively the "Interest"), then Franchisee will comply with the requirements of Sections XXII.B, XXII.C, XXII.E and XXIV.G of this Agreement.

Franchisee will notify us within ten (10) days after Franchisee has commenced discussions or communications even if preliminary, regarding such a proposed transfer and then send us written updates of the status of such discussions or communications every thirty (30) days thereafter unless and until such discussions or communications have ceased, in which case Franchisee must notify us in writing within five (5) business days that such discussions or communications have ceased. Whether the discussions have ceased or not, at our option, we may require Franchisee to send us, by certified mail or other receipted delivery, copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction as well as any materials Franchisee sends to the buyer or transferee. Before agreeing to any such transaction, Franchisee and its Owners agree to obtain from a responsible and fully disclosed buyer, and then send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating to any proposed transfer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed

purchase price. The bona fide offer with the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit of $5,000 (if a proposed disposition is part of a transaction involving additional Recycled Granite™ businesses, operating under other franchise agreements or license agreements with us, the proposed buyer must pay you this earnest money deposit for each Recycled Granite™ business, involved).

To enable us to determine whether we will exercise our option, Franchisee or its Owners, shall provide such information and documentation, including financial statements, as we may require (as noted below). In the event that we elect to purchase said Interest, closing on such purchase must occur within ninety (90) days from the date of notice to the Franchisee of the election to purchase said Interest by us. Failure of us to exercise the option afforded by this Section XXII.C shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section XXII.B, with respect to a proposed transfer of any Interest. Any later change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

We may, by delivering written notice to Franchisee or its Owners within thirty (30) days after we receive both an exact copy of the offer and the Preliminary Due Diligence Package (the date on which we have received the exact copy of the offer and the Preliminary Due Diligence Package is called the "Trigger Date"), notify Franchisee of our non-binding preliminary intent to purchase or not to purchase the interest proposed to be sold. The "Preliminary Due Diligence Package" is information and copies of documents (where applicable) that Franchisee supplies to us which consists of Franchisee's financial statements (including monthly revenue information) for the preceding three (3) years, a copy of the Business's current lease or sublease (if applicable), information about the number and compensation of employees working at the Business, payroll tax records for the past three (3) years, business income tax records for the past three (3) years, customer records and the Franchisee's merchant account printouts for the past three (3) years, the Franchisee's bank deposits for the past three (3) years, and a description of competing granite or stone recycling businesses and/or any other type of stone repurposing businesses offering similar Products and Services operating within the Territory. If we notify Franchisee within thirty (30) days after the Trigger Date (the "First Notice Deadline") that we are preliminarily interested in exercising our right of first refusal, we will have an additional thirty (30) days after the First Notice Deadline both to conduct our due diligence and then to notify you of either our binding intent to exercise our right of first refusal or our decision not to exercise this right. This additional period is called the "Due Diligence Deadline". If we elect to purchase the Interest proposed to be sold for the price and on the terms and conditions contained in the offer:

1) We may substitute cash for any other form of payment proposed in the offer (such as ownership interests in a privately-held entity);

2) Our credit will be deemed equal to the credit of any proposed buyer, meaning that, if the proposed consideration includes promissory notes, we may provide promissory notes with the same terms as those offered by the proposed buyer, except as to subordination. Regarding subordination, you acknowledge and agree that our obligations under the promissory notes then outstanding to any and all lenders, although senior to the equity rights of our owners will also be senior to the promissory notes given to you;

3) We will have an additional thirty (30) days after the Due Diligence Deadline to close; and

4) We must receive, and Franchisee agrees to provide, all customary representations and warranties given a seller of assets of a similar business or the ownership interests in a similar legal entity, as applicable, including, without limitation, representations and

warranties regarding:

i. Ownership and condition of and title to ownership interests and/or;

ii. Liens and encumbrances relating to ownership interests and/or assets;

iii. Validity of contracts and the liabilities, contingent or otherwise, of the entity whose ownership interests are being purchased;

iv. All Products, equipment, supplies, computers, software and Vehicles are in good working condition and suitable for use;

v. No litigation or administrative proceedings pending against the Franchisee, or any of its officers, directors, or Owners arising out of the Franchisee's business;

vi. There are no notices from any federal, state, or local governmental authority to make any changes to the Business or that negatively affect it;

vii. The Franchisee has the authority to sell the assets of its Business, including a copy of all director and/or Owner resolutions;

viii. The Franchisee will comply with the Bulk Sales Act, if it is required under the laws of the Franchisee's state;

ix. There will be no material adverse change in the operation of the Franchisee's business between the date of signature of any Asset Purchase Agreement, and the date of settlement;

x. There are no tax or employee claims or issues; and

xi. The Franchisee will not enter into any transaction between the date of signature and the date of settlement other than in the ordinary course of business.

D. Transfer Upon Death or Mental Incapacity

Upon the death or mental incapacity of any person with an interest in Recycled Granite™ Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party approved by us within six (6) months after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have six (6) months to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within six (6) months, we may terminate this Agreement.

Upon the death of the Franchisee or if an Entity an Owner who owns more than ten percent (10%) or more of the Business, or in the event of any temporary or permanent mental or physical disability of such person, a manager shall be employed for the operation of the Business who has successfully

completed our training courses to operate the Business for the account of Franchisee. If after the death or disability of the named Owner, the Business is not being managed by such trained manager, we are authorized to appoint a manager to maintain the operation of the Business until an approved transferee will be able to assume the management and operation of the Business, but in no event for a period exceeding ninety (90) days without the approval of the personal representative of the Principal; such manager shall be deemed an employee of the Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager, shall be charged to such fund. As compensation for the management services provided, in addition to the fees due, we shall charge such fund the full amount of the direct expenses incurred by us during such period of management for and on behalf of Franchisee, provided that you shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the Principal during any period in which it is managed by our appointed or approved manager.

Within thirty (30) days after any transfer to Franchisee's heirs or successors or the heirs or successors or the heirs or successors of Franchisee's Owners, the heirs or successors must notify us in writing and make application for approval of assignment of the franchise. The application for assignment is subject to the same conditions, procedures and costs as assignment of any other franchise except that there will be no transfer fee.

E. Transfer, Sale or Assignment to a Third Party

If we do not exercise our right to purchase within thirty (30) days pursuant to Section XXII.C, Franchisee may thereafter transfer, sell or assign the Interest to a third party, but not at a lower price or on more favorable terms than disclosed to us in writing. The sale is subject to our prior written approval as specified in this Agreement.

If Franchisee does not complete the sale to the proposed buyer within ninety (90) days after we notify Franchisee that we do not intend to exercise its right of first refusal (whether or not the First Notice Deadline or the Due Diligence Deadline has expired), or if there is a material change in the terms of the sale (which Franchisee must communicate promptly to us), we will have an additional right to accept the sale during the thirty (30) day period following either the expiration of that ninety (90) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option. If Franchisee does not complete the sale to the proposed buyer within an additional ninety (90) days, then any proposed sale or transfer thereafter once again must comply with all of the provisions Sections XXII.B, XXII.C and XXII.E, as though there had not previously been a proposed sale or transfer.

In addition to its other obligations, such as obtaining the prior written approval of us, if Franchisee sells or offers to sell ownership interests, the sale of which is regulated by any applicable law, Franchisee must: (i) fully comply with all applicable laws, (ii) disclose to offerees and purchasers that neither us nor our employees, affiliates or agents are an issuer or underwriter, or are in any way liable or responsible for the offering, (iii) ensure that we have reasonable time to review any reference to us or our franchisees in any prospectus or offering documents before their distribution or use, (iv) pay us actual legal costs incurred for our review, (v) indemnify us, our officers, owners, directors, employees, affiliates, and agents from any liability, cost, damage, claim, and expense and from any and all obligations to any person, entity or governmental agencies arising out of or relating to the offer, sale or continuing investment, (vi) sign such further indemnities and provide such further assurances as we may reasonably require and (vii) disclose our

ownership rights to all trademarks, service marks, trade names, logos, trade secrets, copyrights, and patents.

If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. We and Franchisee may execute an addendum setting forth certain of these amendments applicable in certain jurisdictions, so long as and to the extent that then applicable laws referred to in the addenda remain in effect.

F. Resale Assistance of Franchised Business

Franchisee may, at any time, request our assistance in locating a buyer for its Business. We may, at our option, provide such assistance in accordance with the policies and procedures as set forth in the Operations Manual. We reserve the right to charge Franchisee a fee to cover our reasonable costs and expenses (including the time committed by our employees) incurred in providing such assistance. If we elect to assist Franchisee in finding a buyer for the Business in any way, we make no promises or commitments to Franchisee that a buyer will be located or that anyone will be willing to purchase the Business at a price acceptable to Franchisee. We reserve the right to reject any proposed sale based on our determination, in our sole discretion, that the transferee does not meet the requirements set forth above or that the purchase price or purchase terms agreed to between Franchisee and any prospective buyer is excessive or will not enable the buyer to succeed as a franchisee in the System, and by requesting our assistance Franchisee waives any liability claims it may have against us for such rejection.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

Some state laws provide certain rights to franchisees located in a particular state, including: (1) limitations on our ability to terminate a franchise except for good cause; (2) restrictions on our ability to deny renewal of a franchise; (3) circumstances under that we may be required to purchase certain inventory of franchisees when a franchise is terminated or not renewed in violation of the statute; and (4) provisions relating to arbitration. To the extent that the provisions of this Franchise Agreement are inconsistent with the terms of such state laws, the terms of the applicable state laws may control in those states.

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Act of 1978, Title II, U.S. Code, as amended.

B. Termination by Franchisor with Right to Cure

Except as otherwise provided in this Agreement, upon any material default by Franchisee under this Agreement or any other agreement between Franchisee and us or our affiliates, we may terminate this Agreement only by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Any breach relating to any violation of health or safety laws must be cured within seventy-two (72) hours of notice or such shorter period prescribed by law. Any default for failure to pay monetary amounts must be cured within five (5) days or shorter period as is provided by law.

We may invoke our rights under this Section XXIII.B if, among other things, Franchisee fails to

pay any required sums contemplated by this Agreement or any other agreement between Franchisee and us (and/or their respective affiliates).

C. Termination of Franchise without Right to Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and we, at our option, may terminate this Agreement and all rights granted under it without affording Franchisee any opportunity to cure the breach, effective immediately upon us notifying Franchisee in writing of such breach, if Franchisee does any of the following:

1. Fails to open the Business within the specified time limits as provided in Section IX.B above;

2. Fails to attend and satisfactorily complete the initial training program before Franchisee anticipates opening the Business (as described in Section XII.W);

3. Attends the initial franchise training program and we determine, in our sole discretion, that the Franchisee, its managing partners, members, shareholders or Shop Manager has failed the initial training program and does not appoint another Shop Manager to attend; or another Shop Manager appointed by Franchisee fails the initial training program and/or is deemed not qualified to manage a Recycled Granite™ business (as described in Section XX.A);

4. Abandons, surrenders, or transfers control of the operation of the Business to a third party without our permission; or fails to continuously and actively operate the Business for seven (7) consecutive days, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

5. Fails or refuses, on more than three occasions during the term of this Agreement, to submit when due for a reasonable time thereafter any financial statement, tax return or schedule, or to pay when due Royalty Fees, or any other payments due us or our affiliate;

6. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance (which includes failure of Franchisee to use its best efforts when hiring Employees, including taking every action required by applicable laws related to criminal background checks for all prospective employees);

7. Unable to provide Products and/or Services associated with the System, or any business license, certification or permit required by law is suspended or revoked, or otherwise not maintained continuously and actively in full force and effect, and in good standing;

8. Fails, for a period of fifteen (15) days after notification of non-compliance by us or any appropriate authority, to comply with any federal, state federal, state or local law, ordinance or regulation applicable to the operation of the Business;

9. Violates any health, safety or sanitation law, ordinance or regulation, or operates the Business (including operating any Vehicles) in an unsafe manner; and does not begin to cure the violation immediately and to correct the violation within seventy-two (72) hours or a shorter period as required by applicable law once Franchisee receives notice from us or another party;

10. Has made a material misrepresentation or omission on the application for the Franchise;

11. Transfers, assigns or sub-franchises this Agreement without having the prior written consent of Franchisor, as set forth herein;

12. Discloses or divulges, to any unauthorized person, the contents of the Operations Manual, training materials or any other Confidential Information provided to Franchisee by us;

13. Fails to adhere to our Vehicle appearance standards and fails to reasonably maintain the Vehicle as specified by us and Sections XII.H and XII.U of this Agreement;

14. Fails to comply with modifications to System standards as required by us within a ninety (90) day period from the time of written notice by us;

15. Offers and sells Products and/or Services through any alternative channel of distribution without our permission; or engages in any other activity, which has a material adverse effect on us or the Names and Marks;

16. Makes any changes to any Products, Proprietary Equipment, Proprietary Products (if developed) or any third party products (such as changing containers, packaging, labeling, etc.) as described in Section XII.I of this Agreement;

17. Makes or allows any unauthorized use or copy of Confidential Information, Proprietary Products and/or Software (if developed) or seek to challenge our ownership rights in the System, including our Confidential Information, Proprietary Products and/or Software;

18. Engages in any activity to translate, reverse engineer, reverse compile, change or disassemble any create derivative works based on our Confidential Information, Products, Proprietary Equipment, Proprietary Products and/or Software (if developed);

19. Manufactures or produces any product or piece of equipment that is similar to, or competes with any of our Products, Proprietary Equipment, Proprietary Products or any third party product or equipment used, offered or sold in the Business without our advanced written consent;

20. Engages in activity to distribute, act as an exclusive distributor or secure exclusive rights to distribute any Product, Proprietary Equipment, Proprietary Product or third party product or equipment offered or sold in the Business without our written consent;

21. Engages in activity to sublicense, rent, lease, sell, distribute or otherwise transfer our Confidential Information and/or Software (if developed) or any portion thereof, or any rights therein, to any person or entity;

22. Exhibits a reckless disregard for the physical or mental well-being of employees,

customers, us or our representatives, or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in our sole and absolute discretion;

23. Fails to procure and maintain all required insurance coverage (including any lapses, alterations, or cancellations to the insurance policies) as defined in Section XIII of this Agreement;

24. Fails or refuses to: (i) cease using and/or remove any piece of equipment, product, supply or other items necessary for the operation of the Business deemed to constitute a violation of this Agreement by us; (ii) purchase and maintain all equipment and computer systems (clean, service and repair) as specified by us; (iii) offer, modify, change or discontinue any Product, program or Service as we specify; (iv) produce approved Products; and/or (v) execute and perform Services according to our standards (as described in Sections XII.H and XII.I of this Agreement);

25. Fails to: purchase and/or use any equipment, Proprietary Equipment, products, Proprietary Products (if developed), supplies or services as specified by us; purchase any equipment, Proprietary Equipment, products, Proprietary Products (if developed), supplies or services from us, our affiliates or approved vendors; or purchases and uses any equipment, products, supplies or services from any unapproved vendor or supplier without our permission as described in Section XII.I of this Agreement;

26. Fails or refuses to comply with our inventory requirements or minimum representation requirements (if applicable) as set forth in the Operations Manual;

27. Fails to comply with the terms of any auto-ship programs (if applicable) as set forth in the Operations Manual;

28. Engages in Target Marketing to solicit customers outside the assigned Territory; or Franchisee fails or refuses to refer off-site events and/or customers to other franchisees or company-owned businesses (as described in Section VI);

29. Uses the Names and Marks or any part thereof in any form on the Internet, including but not limited to, Websites (including addresses, domain names, URLs, links, metatags, locators, etc.), search techniques and co-branding arrangements without our prior written consent;

30. Is convicted of a felony or has pleaded nolo contendere to a felony, or is convicted on charges relating in any way to the possession or use of illegal drugs, controlled substances or steroids or is charged or convicted of a crime of moral turpitude;

31. Engages in unfair business practices or unethical conduct;

32. Fails to discharge within a reasonable time any valid lien placed against the property of the Business;

33. Makes an assignment for the benefit of creditors or an admission of the Franchisee's inability to pay its obligations as they become due;

34. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws;

35. Becomes insolvent or makes a general assignment for the benefit of creditors;

36. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;

37. If a receiver or other custodian (permanent or temporary) of the Business, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise;

38. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

39. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or if Franchisee is dissolved or is wound up;

40. If execution is levied against Franchisee's business or property or against any ownership interest in Franchisee;

41. If any real or personal property of Franchisee's Business shall be sold after levy by any sheriff, marshal, or constable;

42. If, in material violation of the terms of Sections XII, XVI, XX and/or XX.II;

43. If Franchisee maintains false books or records, or submits any false reports to us;

44. If any inspection of Franchisee's records discloses an under-statement of payments due to us of two percent (2%) or more, two or more times in any twelve (12) month period;

45. If Franchisee's business has five (5) or more material complaints reported to a governmental entity or other public forum (material complaints are determined in our sole discretion) with respect to the Business in any twelve (12) month period.

D. Termination by Franchisee

If we violate a material and substantial provision of the Agreement and fails to remedy or to make substantial progress toward curing the violation within thirty (30) days after receiving written notice from Franchisee detailing our alleged default, Franchisee may terminate this Agreement if so permitted under applicable law. Any termination of this Agreement and the Franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of material and substantial provision of this Agreement by us and our failure to cure such breach within thirty (30) days after receipt of written notice thereof, shall not be permitted.

E. General Effect of Termination

On termination or expiration, all of Franchisee's post-termination obligations, including covenant not to compete, non-disclosure, return of the Operations Manual and other proprietary materials, and indemnity, will remain in force and effect. If this Agreement terminates for any reason prior to its expiration date, we will be entitled to its royalties and other fees for either the remaining of the term of this Agreement or two (2) years (whichever comes first) and to all other applicable remedies (as described in Section XXIV.H).

F. Territory Alteration as An Alternative To Termination

If you are in default of the Franchise Agreement, as an alternative to termination, we may modify or completely eliminate any rights that you may have with respect to exclusivity in the Territory, effective ten (10) days after delivery of written notice to you. In addition, we may modify or completely eliminate your Territory.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Using Names, Marks and Patent

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any Confidential Information, methods, trade secrets, procedures, descriptions of Products and Services associated with Franchisor and the Names, Marks and any proprietary marks and distinctive forms, slogans, tag lines, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signage, décor, Vehicles with graphics (if applicable), advertising materials, stationery, forms, and any other articles, which display the Names and Marks. If Franchisee operates out of a location, Franchisee shall make or cause to be made, at its expense, changes directed by us in signage, buildings, structure, Vehicles and Premises so as to effectively distinguish the surviving business entity, if any, from its former appearance as a Recycled Granite™ business, and from other existing Recycled Granite™ businesses. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information, as well as return all information that is considered to be Confidential Information under the terms and conditions of this Agreement back to us.

B. Franchisee Shall Cease Operating Business and Refrain From Notifying Customers

Franchisee shall immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of us.

In addition Franchisee shall not give notice of termination or expiration of this Agreement to Franchisee's customers without our prior written consent. We shall have the sole right to notify all of Franchisee's customers of the termination or expiration of this Agreement at the time and manner we determine to be most appropriate. All existing customers of the Franchisee shall be the property of ours. Franchisee shall assist us in transferring the accounts for all customers to us upon termination or expiration of this Agreement at such times and in the manner we require.

Franchisee must immediately tender all new or used inventory of our Proprietary Products, décor, signage, promotional, advertising and marketing materials in addition to all Confidential Information to us and/or our designated affiliates or destroy, if notified by us in writing to do so, all inventory of such items in a timely manner as in accordance with the terms of the Operations Manual and as specified in Section XXIV.G of this Agreement.

C. Franchisee May Not Adopt Confusingly Similar Names and Marks

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us or a former association or connection with us.

D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, Franchisee shall take all action necessary to cancel all assumed names or equivalent registrations relating to its use of any or all of the Names and Marks. Franchisee shall take all actions necessary to transfer all phone numbers, addresses, domain names, Websites, email, listings and location contacts for the Business to us or our designee, including but not limited to authorizing all telephone, Internet, Websites, email, electronic network, directory and listing entities to effectuate the same.

E. Franchisee Shall Transfer or Terminate Domain Name and Web Page

Upon termination or expiration of this Agreement, Franchisee agrees that, we will have the absolute right to notify InterNIC, ICANN and all other Internet authorities of the termination or expiration of Franchisee's right to use all domain names, web page, Websites and other search engines for the Business and to authorize the above and other search engines to transfer to us or our designee all domain names, web page, Websites and search engines associated with the Business. Franchisee acknowledges and agrees that we have the absolute right to, and interest in, all domain names, web page, Websites and search engines related to the Business and that we have the full right and authority to direct the above Internet authorities and all search engines to transfer Franchisee's domain names, web page, Website and search engines to us or our designee if this Agreement expires or is terminated for any reason. Franchisee further acknowledges that this Agreement will constitute a release by Franchisee of the above Internet authorities from any and all claims, liabilities, actions and damages that Franchisee may, at any time, have the right to allege against them in connection with this provision.

F. Franchisee Must Return Operations Manuals and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, Franchisee will immediately return to us all copies of the Operation Manual, training materials and any other materials, which have been loaned to Franchisee by us. Franchisee further agrees to turn over to us all items containing any of the Marks, and all customer lists and contracts for the Franchised Business.

G. Franchisor May Purchase Assets

We shall have the first right of refusal to purchase or assume Franchisee's interest in the Franchised Business, or in its assets on the same terms as those contained in a bona fide offer from a third party. As used in this Section, "Assets" means all Products, Proprietary Equipment, Proprietary Products, equipment, furnishings, fixtures, décor items, computers, Vehicles, signage, inventory (non-perishable products, supplies in addition to advertising and marketing materials), leasehold improvements and the lease or sublease for the Business (if applicable). This right is governed by time limits and procedures described in this Agreement with respect to our right of refusal in the event of an assignment. If Franchisor exercises its right of first refusal, Franchisee must transfer Franchisee's interest in the Franchised Business and in the Assets.

If Franchisee is selling its Assets, we shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase any or all Assets related to the operation of the Business and all items bearing our Names, Marks, at the lesser of Franchisee's cost or fair market value. The cost shall be determined based upon a five (5) year straight-line depreciation of Franchisee's original costs. For any Asset that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the Asset's original cost; and for any items that display the Marks, the fair market value is agreed to be zero except for any Vehicles. If we elect to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee.

H. Franchisee Must Pay Monies Owed to Franchisor; Liquidated Damages

Franchisee shall pay to us, within thirty (30) days after the effective date of termination or expiration of this Agreement, such Royalty Fees, System Advertising Fund contributions, other advertising fees, payments or any other sums owed to us by Franchisee, which are then unpaid. Franchisee shall pay to us all damages, costs, and expenses, including reasonable attorney's fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provisions of Section XIX.

In the event of termination of this Agreement prior to its expiration date, Franchisee acknowledges that the parties have considered the following in determining the amount of Liquidated Damages ("Damages"): (1) that the amount of the Damages is reasonable under the circumstances existing at the time this Agreement is made; (2) that the amount of Damages bear a rational relationship to the damages the parties anticipate would flow from the breach of this Agreement; (3) the agreement to the amount of the Damages is necessary because actual damages are difficult to prove; and (4) the amount of the Damages are not so large that they act as a penalty. Franchisee accordingly agrees that in such event it shall be obligated to pay to us, the amount of the Damages which is a total of all Royalty and System Adverting Fee payments that we would have received, if this Agreement remained in effect until its scheduled expiration date. The amount of the Damages shall be calculated based on the average monthly Royalty Fee payment and the average System Advertising Fund contribution paid to us during the previous twelve (12) months for either the remaining term of this Agreement or two (2) years (whichever comes first). Such payments shall be due to us within thirty (30) days after the effect date of termination or expiration of this Agreement.

Except as otherwise provided in this Agreement, Franchisee shall retain whatever interest it may have in the Assets of the Franchised Business.

XXV. ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he or she will not withhold payments of any Royalty Fees, System Advertising Fees or any other amounts of money owed to us for any reason, on grounds of alleged nonperformance by us of any obligation. All such claims by Franchisee shall, if not otherwise resolved by us and Franchisee, be submitted to arbitration as provided in this Agreement. The Franchisee has no right of offset, or set off to any amounts due and owing to us.

B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements.

C. Mediation

The parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration as set forth in Section XXV.D. Any party to this Agreement may initiate mediation by serving a written demand on the other party stating the particulars of the demand being served. Mediation fees shall be divided equally among the parties involved. Before any mediation commences, the parties will agree to a date and/or certain event which will constitute a completion of the mediation process. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation or refuses to mediate after a request has been made, then the other party ("Mediating Party") shall be entitled to recover attorney's fees and costs, even if such Mediating Party was not otherwise entitled to recover its attorney fees and cost in any arbitration or legal action between the parties pursuant to the terms of this Agreement. This mediation provision applies whether or not the arbitration provision is initiated. It shall be held at the same venue as for arbitration as described in Section XXV.D.

D. Arbitration

Except as we elect to enforce this Agreement by judicial process, injunction, or specific performance (as provided above), all disputes and claims relating to any provision hereof, any specification, standard or operating procedure, or any other obligation of Franchisee prescribed by us, or any obligation of us, or the breach thereof (including, without limitation, any specification, standard or operating procedure or any other obligation of Franchisee or us, which is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by mandatory binding arbitration in Lake County, Indiana. Arbitration must be in accordance with the then current Commercial Rules of the American Arbitration Association ("AAA") and, where applicable, the provision of the Federal Arbitration Act, i.e. 9 USC §1, et al; and provided that at the option of us or the Franchisee that the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association which could include an attorney with twenty (20) years or more franchise experience. The actual selection of the arbitrator from the

list will be in accordance with the procedures for selecting an arbitrator under the Commercial Rules of the AAA. The Parties agree that, in connection with any such arbitration proceeding, each will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 1-3 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. The Parties further agree that arbitration will be conducted on an individual and not a class-wide or multiple plaintiff basis.

The party discovering an arbitrable claim will have one (1) year from the date of discovery but not to exceed two (2) years from the date the claim occurred, in which to settle the claim or to commence arbitration on the claim. Otherwise the claim or demand will be deemed abandoned and shall be barred. The arbitrator shall allow discovery in accordance with the Indiana Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Unless specifically provided for by applicable statue, no punitive or exemplary damages shall be awarded against either us or Franchisee, or entities related to them, in an arbitration proceeding or otherwise, and are hereby waived. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of the Franchisor of Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and we shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. Arbitration fees shall be shared equally and the prevailing Party shall be entitled to recover reasonable attorney fees from the other party, provided should there be no prevailing party each party shall pay their own attorney fees.

This arbitration provision shall not apply to any of the following disputes or controversies: any action for injunctive or other provisional relief including but not limited to enforcement of liens, security agreements, or attachment, as we deem to be necessary or appropriate to compel Franchisee to comply with Franchisee's obligations to us and/or to protect the Names and Marks or any claim or dispute involving or contesting the validity of any of the Names and Marks, or any claim or dispute involving any of the Confidential information, trade secrets, or copyrights provided by us to the Franchisee under this Agreement.

E. Rights of Parties Are Cumulative

The rights of us and Franchisee are cumulative, and the exercise or enforcement by us or Franchisee of any right or remedy shall not preclude the exercise or enforcement by us or Franchisee of any other right or remedy hereunder which we or Franchisee are entitled by law to enforce by the provisions of this Agreement or of the Operations Manual.

F. Judicial Enforcement, Injunction and Specific Performance

We shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in Section XXIII of this Agreement, to collect any amounts owed to us for any unpaid Royalty Fees, or other unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights it may have under any leases or subleases (if applicable), sales, purchases, or security agreements or other agreements with Franchisee. We shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If we secure any such injunction or orders of specific performance, Franchisee agrees to pay to us an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by us as a result of the breach of any provision of this Agreement.

G. Indiana Law Applies

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.) or the U.S. Arbitration Act, this Agreement shall be governed by the laws of the State of Indiana, and venue for arbitration or litigation shall lie in Lake County, Indiana, or in the applicable United States District Court for Indiana.

H. Attorney Fees

In the event that either party incurs any expenses (including but not limited to reasonable attorney's fees and reasonable expert witness fees) in enforcing the provisions of this Agreement by arbitration or legal action, the prevailing Party shall be entitled to recover such expenses directly from the other.

I. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

J. Entire Agreement/Integration/No Other Agreements/Manual(s) May Change

This Agreement and all exhibits to this Agreement constitute the final, complete and exclusive between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document that we furnished to Franchisee. No amendment to this Agreement shall be binding on either party unless mutually agreed to by the parties in writing. The Operations Manual may be amended at any time by us, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

K. Force Majeure

Except for monetary obligations or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Franchise Agreement.

XXVI. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective Parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

XXVII. COUNTERPARTS

This Agreement and any amendments or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and

delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto.

XXVIII. TIME IS OF THE ESSENCE

Time is of the essence. The parties to this Agreement hereby agree that time is of the essence with respect to each of their respective duties and obligations under this Agreement.

XXIX. APPROVALS AND WAIVERS

Whenever this Agreement requires the prior approval or consent of us, Franchisee shall make a timely written request to us therefore, and such approval or consent shall be obtained in writing.

We make no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee or in connection with any consent, or by reason of any neglect, delay, or denial of any request therefore.

No failure of us to exercise any power reserved to us by this Agreement or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Waiver by us of any particular default or breach by Franchisee shall not affect or impair our rights with respect to any subsequent default or breach of the same, similar or different nature, nor shall any delay, forbearance, or omission, breach or default by us to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

XXX. AUTHORITY

Franchisee or, if Franchisee is a corporation, limited liability company or partnership, the individuals executing this Agreement on behalf of such corporation, limited liability company or partnership, warrant to us, both individually and in their capacities as owners or officers, that all of them as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in such entity as set forth in Section XXII.

XXXI. REPRESENTATIONS AND WARRANTIES BY THE FRANCHISEE

Franchisee acknowledges and warrants that it has received a complete and final copy of this Agreement, our Disclosure Document and applicable exhibits, in a timely fashion as required; and that before signing this Agreement, Franchisee was given ample opportunity to review and examine our Disclosure Document and was furnished with copies of the documents. **NO ORAL, WRITTEN OR VISUAL CLAIM OR STATEMENT THAT CONTRADICTS THE DISCLOSURE DOCUMENT WAS MADE.**

FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE, ALL MANAGING PARTNERS MEMBERS OR SHAREHOLDERS, HAVE BEEN ADVISED TO HAVE THIS AGREEMENT AND ALL OTHER DOCUMENTS REVIEWED BY AN ATTORNEY AND THAT FRANCHISEE, ALL MANAGING PARTNERS, MEMBERS OR SHAREHOLDERS HAVE READ, UNDERSTOOD, HAD AN OPPORTUNITY TO DISCUSS AND AGREED TO EACH PROVISION OF THIS AGREEMENT. THE FRANCHISEE AND MANAGING

PARTNERS, MEMBERS OR SHAREHOLDERS AGREE THAT THERE HAS BEEN NO PRESSURE OR COMPULSION BY FRANCHISOR OR ITS AGENTS TO SIGN THIS AGREEMENT.

FRANCHISEE ACKNOWLEDGES AND AGREES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY FRANCHISEE AND ITS OWNERS IS SPECULATIVE AND WILL BE DEPENDENT ON PERSONAL EFFORTS AND SUCCESS IS NOT GUARANTEED. FRANCHISEE AND MANAGING PARTNERS, MEMBERS OR SHAREHOLDERS ACKNOWLEDGE AND REPRESENT THAT IT HAS ENTERED INTO THIS AGREEMENT AND MADE AN INVESTMENT ONLY AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE OPPORTUNITY, INCLUDING HAVING RECEIVED A LIST WITH THE FRANCHISE DISCLOSURE DOCUMENT OF OTHER CURRENTLY AND PREVIOUSLY OPERATED RECYCLED GRANITE™ FRANCHISES.

IN WITNESS WHEREOF, the Parties hereto have duly executed, sealed and delivered this Recycled Granite Franchise, LLC Franchise Agreement in duplicate on this date__/_____20 .

FRANCHISOR:

Address for Notices: Recycled Granite Franchise, LLC Attn: Julie Rizzo 1952 US Highway 41 Schererville, IN 46375 Telephone: (219) 313-1388 Fax: (219) 627-2011

FRANCHISEE:

Address for Notice:

_____

Attn: Telephone: _____

Date: _____

Recycled Granite Franchise, LLC

Signed: _____

Name: _____

Title: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

SCHEDULE 1
RECYCLED GRANITE FRANCHISE, LLC
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEPOSIT)

BY AND BETWEEN Recycled Granite Franchise, LLC AND _____("FRANCHISEE") DATED_____20___.

The undersigned depositor ("DEPOSITOR") hereby authorizes Recycled Granite Franchise, LLC ("COMPANY") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("DEPOSITORY") to debit such account pursuant to COMPANY's instructions.

_____	_____
DEPOSITORY	Branch
_____	_____
Address	City, State and Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until DEPOSITORY has received joint written notification from COMPANY and DEPOSITOR of the DEPOSITOR's termination of such authority in such time and in such manner as to afford DEPOSITORY a reasonable opportunity on which to act. If an erroneous debit entry is initiated to DEPOSITOR's account, DEPOSITOR shall have the right to have the amount of such entry credited to such account by DEPOSITORY, if (a) within 15 calendar days following the date on which DEPOSITORY sent to DEPOSITOR a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, DEPOSITOR shall have sent to DEPOSITORY a written notice identifying such entry, stating that such entry was in error and requesting DEPOSITORY to credit the amount thereof to such account. These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws.

DEPOSITOR	DEPOSITORY
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

SCHEDULE 2
RECYCLED GRANITE FRANCHISE,
LLC PRE-EXISTING BUSINESSES

As a condition precedent to the effectiveness of the Franchise Agreement and in consideration of the terms and conditions of the Franchise Agreement.

Franchisee represents and warrants to Franchisor as follows:

1. Entities and as an entity owned by [Franchisee and or affiliates of Franchisee] currently operate a business known as_____, ("Pre-Existing Business").

2. Any and all existing franchise agreements, stockholder agreements, partnership agreements, option agreements or any other third party rights relating to the Pre – Existing Business, do not contain any covenants, terms and conditions which do now, or may in the future, prohibit the execution of the Franchise Agreement and the participation of any of the owners, managers or employees of the Franchisee in the Franchised Business, and

3. Other than the consents of Franchisee and us there is no other third party consent required for the acquisition of the franchise to be legally binding and effective, and

4. There are no existing restrictive covenants, other than those which the Pre -Existing Business has waived, binding on Franchisee or any of its partners, owners, agents representatives or employees that would be breached by the acquisition and operation of the Franchised Business obligations of Franchisee to us, and

5. The Pre-Existing Business provides the following goods and services to its customers at the following locations:

5.1 Services and products of Pre-Existing Business(es)

_____
_____
_____

5.2 Location(s) of Pre-Existing Goods Business(es)

_____
_____
_____

and from the date hereof will continue to operate as [an independent organization] and shall not carry out any other businesses directly or indirectly competing with the Franchised Business, and

Franchisee shall convert the entire Pre-Existing Business into the Franchised Business and shall hence forth operate that business as the Franchised Business under the trade name "Recycled Granite™", and

6. Franchisee agrees that any business currently operated or to be operated by any affiliate of Franchisee outside of the Franchised Business which later becomes a part of the Franchised Business shall be folded into the Franchised Business after notice and approval by us, and

7. Franchisee shall indemnify, defend and hold harmless us and our affiliates, against all losses, costs, proceedings, judgments, liabilities, expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of or resulting from any breach of the representations and warranties set out in this Exhibit or in connection with any willful or negligent act or omission of Franchisee or Franchisee's employees or agents, including but not limited to such act or omission that contributes to any economic damage, bodily injury, sickness, disease or death. This indemnity shall survive termination of the Franchise Agreement.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

Recycled Granite®

SCHEDULE 3
RECYCLED GRANITE FRANCHISE, LLC
EXECUTIVE ORDER 13224 AND RELATED CERTIFICATIONS

If the Franchisee is an individual or individuals, the Franchisee certifies that he/she/they are not, nor to my/our best knowledge have I/us been designated, a terrorist and/or a suspected terrorist, nor am I/us associated and/or affiliated in any way with any terrorist and/or suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

If the Franchisee is a company, the person(s) signing on behalf of the Franchisee certify(ies) that, to the Franchisee's and such person's best knowledge, neither the Franchisee, such person, and/or any owners, officers, board members, similar individuals and/or affiliates/associates of the Franchisee have been designated, a terrorist and/or a suspected terrorist, nor is the Franchisee or any such persons and/or affiliates/associates owned, controlled, associated and/or affiliated in any way with any terrorist and/or a suspected terrorist person and/or organization, as defined in U.S. Executive Order 13224 and/or otherwise.

Franchisee agrees to fully comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations,

including properly performing any currency reporting and other obligations, whether relating to the Franchise or otherwise, and/or required under applicable law. The indemnification responsibilities provided in the Franchise Agreement cover the Franchisee's obligations hereunder.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

SCHEDULE 4 RECYCLED GRANITE FRANCHISE, LLC ADA & RELATED CERTIFICATIONS

Recycled Granite Franchise, LLC ("we, us, our") and_____ ("Franchisee") are parties to a franchise agreement dated,_____20 (the "Franchise Agreement") for the operation of a Recycled Granite™ Business (the "Business").

In accordance with Section XII.C of the Franchise Agreement, Franchisee certifies to us that the Business and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act and all local zoning regulations and building codes. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by us does not constitute ownership, control, leasing or operation of the Business. Franchisee acknowledges that we have relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify us, our members, managers, officers, employees and agents, and each and all of the Franchisor-Related Entities, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, all local zoning regulations and building codes and otherwise, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE

Signed:_____

Printed Name:_____

Title:_____

Date:_____

SCHEDULE 5
RECYCLED GRANITE FRANCHISE, LLC
FRANCHISE AGREEMENT: INDIVIDUAL GUARANTY
(USE FOR CORPORATE, PARTNERSHIP OR OTHER ENTITY FRANCHISEE)

This Guaranty is to the Franchise Agreement between Recycled Granite Franchise, LLC ("we, us, our") and ("Franchisee") dated the _____ day of _____, 20____.

1. The undersigned agree, individually and on behalf his or her martial community, to personally and unconditionally guarantee the performance of Franchisee under the Franchise Agreement and to perform all obligations under this Agreement on default by Franchisee. The undersigned further agree to pay any judgment or award against Franchisee obtained by us. Guarantors are also bound by covenants of the Agreement that by their nature or terms survive the expiration or termination of the Agreement, including but not limited to non-competition, indemnity and non-disclosure provisions.

2. Each Guarantor has consulted legal counsel of his/her own choosing as to his/her responsibilities and liabilities under this Guaranty.

3. Each Guarantor waives:

   a. Notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed;

   b. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed;

   c. Any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability;

4. Each Guarantor consents and agrees that:

   a. Liability under this Guaranty is joint and several with any other guarantor and the Franchisee;

   b. Each will render any payment or performance required under this Guaranty on demand, if Franchisee fails or refuses punctually to do so;

   c. Each will individually comply with the provisions and all subsections of the Agreements and associated documents;

   d. Liability is not contingent or conditioned on our pursuit of any remedies against

Franchisee or any other persons; and

e. Liability is not affected by any extension of time, acceptance or part performance, release of claims, or other compromise that we may grant Franchisee or other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

f. Each waives acceptance and notice of acceptance by us; waives notice of demand; and waives protest and notice of default, except as may be required by the Franchise Agreement.

5. Each Guarantor further hereby consents and agrees that:

a. Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of Franchisee, other guarantors, and the other owners of the Franchisee;

b. This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by an abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by impairment, modification, change, release or limitation of the liability of the Franchisee or its estate in bankruptcy or any remedy for enforcement resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency

c. We may proceed against Guarantor and Franchisee jointly and severally, or We may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and;

d. Guarantor agrees to pay all reasonable attorneys' fees and costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in the enforcing this undertaking against Guarantor.

Guarantor agrees to be personally bound by the arbitration obligations under Section XXV.D of the Agreement, including without limitation, the obligation to submit to binding arbitration the claims described in Section XXV.D of the Agreement in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

Dated on the_____date of_____20____.

(Set forth the name, address and percentage ownership of each owner of Franchisee, their spouse and their percentage ownership, if applicable):

NAME	ADDRESS	PERCENTAGE
_____ Signed	_____	_____
_____ Printed		
_____ Signed	_____	_____
_____ Printed		
_____ Signed	_____	_____
_____ Printed		
_____ Signed	_____	_____
_____ Printed		

SCHEDULE 6
RECYCLED GRANITE FRANCHISE, LLC
STATEMENT OF OWNERSHIP INTERESTS AND PRINCIPLES

A. The following is a list of all managing partners, shareholders, partners or other investors in Franchisee, including all investors who own or hold direct or indirect interest in Franchisee and a description of the nature of their interest.

Name	**Percentage of Ownership/Nature of Interest**

B. In addition to the persons listed in paragraph A., the following is a list of all Franchisee's Principals described in and designated pursuant to Section XIX.B of the Franchise Agreement. Unless designated as a controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement in the form set forth in Schedule 8.

SCHEDULE 7
RECYCLED GRANITE FRANCHISE, LLC
COLLATERAL ASSIGNMENT OF LEASE

Franchisee: _____

_____

Franchisor: Recycled Granite Franchise, LLC

Date of this Collateral Assignment of Lease (the "Assignment"):_____

The Franchisee, to effect various provisions of that certain Franchise Agreement dated_____, 20 , by and between Franchisee and us(the "Franchise Agreement"), hereby collaterally assigns to Franchisor (subject to the terms and conditions below) all of Franchisee's right, title and interest in, to and under that certain lease (the "Lease") dated_____20 , between Franchisee and_____

_____,
("Landlord"), for that property commonly known as:_____
_____(the
"Premises"), a copy of which Lease is attached to this Assignment.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the sum of Ten Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

No material modification or amendment of the Lease shall occur or be effective without the prior written consent of us.

Except as provided in the Franchise Agreement, we will not take possession of the Premises under this Assignment until and unless there is a termination, cancellation, rescission or expiration of the Franchisee's rights, or a default by Franchisee, under the Lease, any sublease and/or the Franchise Agreement. In such event(s), we (or its designee) may (but has no obligation to) take possession of the Premises and assume the Franchisee's rights under the Lease, and, in such event, Franchisee will have no further right, title or interest in or under the Lease or to the Premises, all such rights thereby passing to us or our designee, without the Landlord's further consent. The Franchisee will fully cooperate therewith, and do all acts necessary or appropriate thereto. We will have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease, the Premises or otherwise until and unless we take possession of the Premises pursuant to this Assignment and, in any event, we will only be responsible for those obligations accruing with respect to the Lease after the date of such express assumption. Upon taking possession of the Premises, we shall be obligated from that date forward to perform all of the duties and obligations of Franchisee under the Lease. We shall notify Landlord, in writing, within three days of taking possession of the Premises that has been taken such possession.

Notwithstanding anything herein to the contrary, upon us taking possession of the Premises, Franchisee shall not be relieved of any of its obligations under the lease.

The Franchisee will not permit any surrender, termination, amendment or modification of the Lease and will elect and exercise all options to extend the term of or renew, or assume in bankruptcy, the Lease not less than thirty (30) days prior to the last day that said rights must be exercised. If the Franchisee does not do so, We may to the extent consistent with the United States Bankruptcy Code (but has no obligation to) do such acts for the account of Franchisee and without any liability or obligation of us. Failure of us to exercise any remedy hereunder shall not be a waiver of any of its rights. Our rights and remedies of under this Assignment are in addition to those which the Franchisor has under the Franchise Agreement or otherwise. This Assignment shall bind, and benefit, us and Franchisee and their respective successors and assigns. With respect to the us and Franchisee the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Franchise Agreement shall apply to this Assignment, and/or any matter related in any way to it, but we may, in any event and at its option, proceed with any action in court for possession of the Premises and any related remedies. If there is more than one Franchisee, their obligations are joint and several. As between Landlord and us and/or Franchisee, the dispute provision of the Lease shall apply.

In the event Franchisee shall fail to perform or observe any of the terms, conditions or agreements in the Lease, Landlord shall give written notice thereof to us and we shall have the right (but not the obligation) to cure such default. Landlord shall not take any action with respect to such default under the Lease, including without limitation any action in order to terminate, rescind or avoid the Lease, for a period of fifteen (15) days following expiration of any cure period Franchisee may have under the Lease with respect to such

default; provided, however, that in the case of any default which cannot with diligence be cured within said additional fifteen (15) day period, if we shall proceed promptly to cure such default and thereafter prosecute the curing of such default with diligence and continuity, the time within which such default may be cured shall be extended for such period as may be necessary to complete the curing of such default with diligence and continuity.

Landlord will recognize and accept the performance by us of any act or thing required to be done by Franchisee under the terms of the Lease and will accept such performance as if it were performed by Franchisee.

Landlord agrees that in any case commenced by or against Franchisee under the United States Bankruptcy Code, we shall have standing to appear and act as a party to the Lease for purposes of the Bankruptcy Code, (but shall not have any obligations under the Lease unless we expressly assumes the Lease). Landlord shall, during Franchisee's bankruptcy case, serve on us a copy of all notices, pleadings or documents which are given to Franchisee, and service shall be in the same manner as given to Franchisee. If the Lease or Franchisee's rights under the Lease are terminated, whether by reason of default of Franchisee or Landlord, rejection of the Lease in any bankruptcy case, voluntary surrender and acceptance, or otherwise, then Landlord shall give written notice of such termination to us. We or our nominee shall have the option, exercisable by written notice to Landlord delivered not later than the 30th day after written notice that the termination has occurred, to receive from Landlord a new lease of the Premises on the same terms and conditions as the Lease, for the remaining term of the Lease (that is, the portion of the term that would remain absent the termination and the conditions or events causing the same), and such same terms and conditions shall include any extension rights provided for in the Lease.

Any notice or other communication required or permitted to be given under this Assignment shall be in writing and addressed to the respective party as set forth below. Notices shall be effective (i) on the next business day if sent by a nationally recognized overnight courier service, (ii) on the date of delivery by personal delivery and (iii) on the date of transmission if sent by facsimile during business hours on a business day (otherwise on the next business day) (with receipt of confirmation). Any party may change the address at which it is to receive notices to another address in the United States at which business is

conducted (and not a post-office box or other similar receptacle), by giving notice of such change of address in accordance with this provision.

Notices to us, Franchisee or Landlord shall be addressed as follows:

[Insert applicable notice addresses].

This Assignment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

If any portion or portions of this Assignment shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment under as of the date first above written.

FRANCHISEE:

_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name
LANDLORD	**FRANCHISOR:**
_____	**Recycled Granite Franchise, LLC**
by_____	by_____
its_____	its_____

SCHEDULE 8
RECYCLED GRANITE FRANCHISE, LLC
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Agreement is made and entered into_____20 , between Recycled Granite Franchise, LLC, an Indiana limited liability company (hereinafter referred to as "we, us, our"),__ (hereinafter referred to as "You")

RECITALS:

WHEREAS, We have acquired the right to develop a unique system (the "System") for the development and operation of a granite and stone recycling business under the name and mark "Recycled Granite™" ("Business"); and

WHEREAS, the System includes but is not limited to certain trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin, including, but not limited to the mark Recycled Granite™ and such other trade names, service marks, and trademarks as we may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service standards; our Products, Services, programs, equipment, Proprietary Equipment, supplies, strategies for securing raw materials and production, specific stone splitting and sorting processes, methods, techniques and procedures; specifications for equipment, products and supplies; customer service standards, vendor and supplier relationships, cost and pricing strategies, merchandising methods and techniques, inventory management systems, operational procedures, procedures for safety and quality control; build out and design specifications with custom furnishings, unique décor, color scheme and signage; guidelines for hiring, training and retaining employees including our proprietary Green Abilities Program (as defined in Section XII.H); vehicle appearance standards, website, intranet portal, software, Operations Manual, photographs of projects, video presentations, forms, contracts, record keeping and reporting methods; sales and marketing techniques, community programs, advertising and promotional materials; all of which may be changed, improved and further developed by us from time to time and are used by us in the operation of the System ("Trade Secrets"); and

WHEREAS, the Trade Secrets provide economic advantages to us and are not generally known to, and are not readily ascertainable by proper means by us competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, We have taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, We have granted you a limited right to manage and participate in the operation of a Business using the System and the Trade Secrets for the period defined in the franchise agreement made and entered into_____, 20 ("Franchise Agreement") between you and us ; and

WHEREAS, you and us have agreed in the Franchise Agreement on the importance to us and to you and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for You to have access to and to use some or all of the Trade Secrets in the management and operation of your Business using the System; and

WHEREAS, you have agreed to obtain from your staff written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, each member of your staff wishes to remain, or wishes to become your employee; and

WHEREAS, You will receive and use the Trade Secrets in the course of operating the Business;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. You and/or we shall disclose to You some or all of the Trade Secrets relating to the System.

2. You shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in connection with the management and/or operation by you of Business using the System for so long as you are licensed by us to use the System.

3. You shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without our express written permission.

4. You shall not at any time disclose or permit the disclosure of the Trade Secrets except to your staff then only to the limited extent necessary to train or assist your staff in the management or operation of a Business using the System.

5. That all information and materials, including without limitation, drawings, specifications, techniques and compilations of data which we shall designate as confidential shall be deemed the Trade Secrets for the purposes of this Agreement.

6. You shall surrender the Confidential Franchise Operations and Procedures Manual and such other manuals and written materials as we shall have developed ("Manuals") described in the Franchise Agreement and any other material containing some or all of the Trade Secrets to you or us, upon request, or upon conclusion of the use for which the Manuals or other information or material may have been furnished to the You.

7. You shall not, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System or the Names and Marks.

8. The Manuals are loaned by us to you for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor written consent.

9. In further consideration for the disclosure to You of the Trade Secrets and to protect the uniqueness of the System, You agree that for two (2) years following the earlier of the expiration, termination or transfer of all of your interest in the Franchise Agreement with you, You will not, without the prior written consent of us:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Business to any competitor.

b. Employ or seek to employ any person who is at the time employed by us or any franchisee or developer of us, or otherwise directly or indirectly induce such persons to leave that person's employment.

c. Directly or indirectly, for himself or through, on behalf of or in conjunction with any person, partnership or corporation, own, maintain, operate, engage in or have any financial or beneficial interest in (including interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business which is the same or is similar to the Franchise including, but not limited to, any type of granite or stone recycling business, granite and/or stone-related repurposing business and/or related business which is the same as or similar to the Business including, but not limited to, any which offers similar products and services to a Recycled Granite™ which business is, or is intended to be, located within a 10 (ten) mile radius of the location approved in the Franchise Agreement or of any Recycled Granite™ business (which includes company-owned businesses, other franchise businesses and/or any of our eighteen existing Members) in existence or under construction as of the earlier of: (i) the expiration or termination of, or the transfer of all or your interest in, the Franchise Agreement; or (ii) the time Employee ceases to be employed by you, as applicable.

10. You undertake to use your best efforts to ensure that Employee acts as required by this Agreement.

11. You agree that in the event of a breach of this Agreement, we would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, We shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

12. You agree to pay all expenses (including court costs and reasonable legal fees) incurred by us and you in enforcing this Agreement.

13. Any failure by us or you to object or to take action with respect to any breach of this Agreement by You shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by You.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF INDIANA. THE PARTIES AGREE THAT ANY ACTION BROUGHT BY ANY PARTY AGAINST ANOTHER IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGHT IN INDIANA IN THE JUDICIAL DISTRICT IN WHICH FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF, THE FRANCHISOR

MAY BRING SUCH ACTION IN ANY COURT IN STATE WHICH HAS JURISDICTION. THE PARTIES HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION.

15. The parties agree that each of the above covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having a valid jurisdiction in an unappealed final decision to which we are a party, You expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made herein. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid or facsimile, telegram or telex, (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective Parties.

If directed to us, the notice shall be addressed to:

Recycled Granite Franchise, LLC 1952 US

Highway 41
Schererville, IN 46375
Attention: Julie Rizzo, CEO
Telephone: 1 (219) 313-1388

If directed to you, the notice shall be addressed to:

_____

_____

_____

Attention: _____

Facsimile: _____

Telephone: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile, telegram or telex shall be deemed given upon transmission, provided confirmation is made as provided above.

Any notices sent by expedited delivery service or certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall effected by giving fifteen (15) days written notice of such change to the other party.

18. The rights and remedies of us under this Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of you and your staff hereunder are personal in nature and may not be assigned by you or your staff, as applicable.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below:

Recycled Granite Franchise, LLC
an Indiana limited liability company

Signature:_____

Printed Name:_____

Title:_____

YOU:

Signature:_____

Printed Name:_____

Title:_____

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

AGENTS FOR SERVICE OF PROCESS

EXHIBIT B

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

FEDERAL

FEDERAL TRADE COMMISSION
Division of Marketing Practices Seventh and
Pennsylvania Avenues, N.W. Room 238
Washington, D.C. 20580 202-326-2970

STATE FRANCHISE REGULATORS & AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
California Department of Business Oversight
Commissioner for the Department of Business
Oversight 320 West 4th Street, Suite 750 Los
Angeles, CA 90013-2344 866-275-2677

FLORIDA
State Department of Agriculture and
Consumer Services P.O. Box 6700
Suite 7200 Tallahassee, FL

CONNECTICUT
Banking Commissioner
44 Capitol Avenue
Hartford, Connecticut 06106 317-232-6685

32314-6700 850-410-3754

HAWAII
Commissioner of
Securities of the State of
Hawaii Department of
Commerce & Consumer
Affairs Business
Registration Division
Securities Compliance Branch
335 Merchant Street Room 203
Honolulu, Hawaii 96813 808-586-2722

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
217-782-4465

INDIANA
Chief Deputy Commissioner
Securities Divisions
302 West Washington Street Room E-111
Indianapolis, Indiana 46204 317-232-6611

MARYLAND
Securities Commissioner
Division of Securities
200 St. Paul Place 20th
Floor Baltimore,
Maryland 21202-2020
410-576-6360

MICHIGAN
Franchise Administrator
670 Law Building
Lansing, Michigan 48913 517-373-7117

MINNESOTA
~~Market Assurance Divisions~~
Minnesota Department of Commerce
~~13~~385 7th Place East ~~Seventh Street,~~
Suite 280 St. Paul, Minnesota 55101
651-~~296-2211~~539-1600

NEW YORK
New York Secretary of State
One Commerce Plaza 99
Washington Avenue Albany,
New York 12231
518-473-2492

New York State Department of Law
Investor Protection Bureau
120 Broadway 23rd Floor
New York, New York 10271
212-416-8236

NORTH DAKOTA
Franchise Examiner
600 East Boulevard
5th Floor, Dept. 414
Bismarck, North
Dakota 58505
701-224-4712

RHODE ISLAND
Department of Business Regulation
Division of Securities 1511 Pontiac
Avenue Bldg. 69-2 Cranston,
Rhode Island 02920 401-462-9527

SOUTH DAKOTA
Franchise Administrator
Division of Securities
910 East Sioux Pierre,
South Dakota 57501
605-773-4823

TEXAS
Secretary of State P.O. Box 12697 Austin, Texas
78711-2697 1019 Brazos Austin, Texas 78701
512-463-5701

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main St, 9th Floor Richmond,

Virginia 23219 804-371-9733

State Administrator: State Corporation Commission 1300

East Main St. 9th Floor Richmond, Virginia
23219 804-371-9051

WISCONSIN
Franchise Registration
Divisions of Securities
P.O. Box 1768 Madison, Wisconsin 53701
608-261-9140

WASHINGTON
Securities Administrator
150 Israel Road SW
Turnwater, Washington 98501 360-902-8760

CANADA

Director of Franchises Alberta Securities
Commission Agency 21st Floor 10025
Jasper Avenue Edmonton, Alberta T5J
3Z5

Director of Franchises
New Brunswick Securities Commission
Suite 300
85 Los Angeles Street Saint John, New Brunswick 32L
2J2

Director of
Franchises Ontario
Securities
Commission Suite
1903 20 Queen
Street, West
Toronto, Ontario
MSH 3S8 (416)
593-8314

Office of the Attorney General
Consumer, Corporate, and Insurance Division
PEI Securities Office
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
(902) 368-4569

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

EXHIBIT C

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Recycled Granite Franchise, LLC ("we," "us" or "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Recycled Granite™ Franchised Business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate, or misleading.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

Yes_____ No____ Your Initials_____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes_____ No____ Your Initials_____

If "No," what parts of the Franchise Agreement do you not understand?
(Attach additional pages, if necessary)

_____

_____

_____

_____

3. Have you received and personally reviewed the Disclosure Document we provided to you?

Yes_____ No____ Your Initials_____

4. Do you understand all of the information contained in the Disclosure Document?

Yes_____ No____ Your Initials_____

If "No," what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

_____

5. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes_____ No____ Your Initials_____

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes_____ No____ Your Initials_____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees?

Yes_____ No____ Your Initials_____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes_____ No____ Your Initials_____

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

Yes_____ No____ Your Initials_____

Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

Yes_____ No____ Your Initials_____

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes_____ No____ Your Initials_____

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes_____ No____ Your Initials_____

12. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes_____ No____ Your Initials_____

13. If you have answered "Yes" to any of questions 7 through 13, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

If you have answered "No" to all of questions 7 through 13, please leave the following lines blank.

_____

_____

_____

_____

14. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

15. Yes_____ No____ Your Initials_____

You understand that your answers are important to us and we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Franchise Applicant – Signature

_____
Print Name

_____
Date

EXHIBIT D
STATE ADDENDA

EXHIBIT D

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Recycled Granite Franchise, LLC Disclosure Document and will supersede, to the extent then required by applicable state law, certain portions of the Franchise Agreement dated_____, 20 .

I. FRANCHISOR/FRANCHISEE RELATIONSHIP STATUTES (Including Renewal and Termination Rights)

For franchises governed by laws of the following states:

CALIFORNIA, COLORADO, HAWAII , ILLINOIS, INDIANA, IOWA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise:

ARKANSAS Stat. Section 4-72-201 to 4-72-210 CALIFORNIA Corporations Code Sections 31000 to 31516 CONNECTICUT Gen. Stat. Section 42-133e et seq.
DELAWARE Code, Tit. 6, Ch. 25, Sections 2551-2556 HAWAII Rev. Stat. Section 482E-1 et seq.
ILLINOIS Rev. Stat. 815. ILCS 705/19 and 705/1 to 705/44 INDIANA Stat. Sections 23-2-2.5.1 and 23-2-2.5.44 IOWA Code Sections 523H.1523 to H.17 MARYLAND Commercial Code Ann. 14-201 to 14-233
MICHIGAN Stat. Section 445.1501 to 445.1545 MINNESOTA Stat. Section 80C.01 to 80C.22 MISSISSIPPI Code Section 75-24-51 MISSOURI Stat. Section 407.400 et seq.
NEBRASKA Rev. Stat. Section 87-401 NEW JERSEY Stat. Section 56:10-1
RHODE ISLAND Gen. Laws 19-28-1-1 to 19.28.1-34 VIRGINIA Code 13.1-557-57 to 13.1-574 WASHINGTON Code Section 19.100.01 to 19.100.940
WISCONSIN Stat. Section 135.01 to 135.065

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In addition,

ILLINOIS Illinois franchisees should note that the conditions under which your franchise can be terminated, and your rights upon non-renewal are governed by Illinois laws, Illinois Complied status 815 ILCS 709/19 and 709/20.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section

shall not prevent any person 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.

INDIANA. Indiana franchisees should note that Indiana Law provides that it is unlawful for a Franchise Agreement to contain certain provisions in the area of required purchases, modification, competition, increases in the price of goods on order termination and non-renewal, covenants not to compete, and limitations on litigation. Indiana law also prohibits franchisors from engaging in certain acts and practices, including coercion, refusing delivery of goods or services, denying the surviving spouse or estate of the Franchisee an opportunity to participate in the ownership of the franchise, unreasonable competition, unfair competition, unfair discrimination among franchisees, and using deceptive advertising.

MINNESOTA law requires that with respect to the franchises governed by Minnesota law, the Franchisor will comply with Minnesota. Statute 80C.14 subdivisions 3, 4, and 5 which require except in certain specific cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise 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.

In accordance with Minnesota Rule 2860.4400J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80C.12, to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify our from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

_____

(Signature of Franchisee)

(Name of Franchisee)

(Title)

RHODE ISLAND Notwithstanding anything in this Agreement to the contrary, all Rhode Island located franchisees will be governed by the Rhode Island Franchise Investment Act.

WASHINGTON If any of the provisions of this Franchise Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over inconsistent provisions of the Franchise Disclosure Document and the Franchise Agreement with regard to any franchise sold in Washington.

WISCONSIN Chapter 135, Stats. Of the Wisconsin Fair Dealership Law supersedes any provisions of the Franchise Agreement that may be inconsistent with that law.

II. POST-TERM COVENANTS NOT TO COMPETE

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes which limit the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

California Business and Professions Code	Section 16,600
Michigan Compiled Laws	Section 445.771 et seq.
Montana Codes	SECTION 30-14-201 North Dakota
Century Code	Section 9-08-06 Oklahoma Statutes
	Section 15-217-19 Washington Code
	Section 19.86.030

Other states have court decisions limiting the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

III. TERMINATION UPON BANKRUPTCY

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, VIRGINIA, WASHINGTON, WISCONSIN

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

IV. LIQUIDATED DAMAGES PROVISIONS

The following states have statutes which restrict or prohibit the imposition of liquidated damages provisions:

CALIFORNIA	Civil Code Section 1671
INDIANA	IC 23.2-2.5-2
MINNESOTA	Rule 2860.4400

State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contact law, and state and federal court decisions.

For franchises governed by the laws of the state of MINNESOTA, liquidated damage provisions are void.

V. STATE ADDENDUMS

The following are Addendums for Franchises governed by the laws of the respective states as follows:

CALIFORNIA

Add to the Disclosure Document Item 3, litigation, ~ (c), that neither FRANCHISOR nor any of the persons affiliated with FRANCHISOR set forth in Section 2 of the Disclosure Document are subject to any currently effective order of any National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78, et seq. suspending or expelling such persons from membership in such association or exchange.

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

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

The Franchise Agreement requires application of the law of California. The Franchise Agreement currently restricts venue for arbitration and mediation to Indiana since it is the Franchisor's headquarter (but could change) which might not be favorable if your location or you reside in a different state.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document.

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.

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 §§31 000 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 requires litigation to be conducted in Indiana, but could change. Requirements of litigation in jurisdiction other than where your franchise is located or where you reside may not be enforceable. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

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

Item 5 of the Disclosure Document is amended to include the following language:

"If Franchisor sells a multiple unit or other discounted franchise fee in California, it will comply with California Franchise Rule 310.100.2 regarding negotiated sales, to the extent applicable."

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000- 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 -20043).

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

The franchise agreement requires binding arbitration. The arbitration will occur at Lake County, Indiana with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

OUR URL IS: www.RecycledGranite.com OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov

ILLINOIS

Any provision in a Franchise Agreement that designates jurisdiction or venue in a forum outside the State of

Illinois may not be enforceable and is amended to the extent required by Illinois law, except that a Franchise Agreement may provide for arbitrate in a forum outside of the State of Illinois.

The governing law or choice of law clause described in the Disclosure Document (including a risk factor on the cover page) and contained in the Franchise Agreement may not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application for the Illinois Franchise Disclosure Act in all situations to which it is applicable.

Item 5 of the Disclosure Document and Section 4.1 of the Franchise Agreement is hereby amended if the Attorney General of Illinois requires the following: to provide that all initial franchise fees are deferred, or alternatively, deposited into escrow, until all Franchisor's pre-opening obligations to franchisee have been met and the franchisee is open for business. This deferral requirement has been imposed by the Illinois Attorney General's Office based upon Franchisor's financial condition.

Illinois law requires that the Franchisor give you a copy of the Disclosure Document as registered with the Attorney General together with a copy of all proposed agreements relating to the sale of the franchise before the earlier of:

1. 14 days before our execution of a binding Franchise Agreement or other agreement, and
2. 14 days before the Franchisor receives any payment from you.

INDIANA

To the extent that Item 17 of the Disclosure Document and Section XVIII of the Franchise Agreement re inconsistent with the Indiana Deceptive Franchise Practice Law, which prohibits a prospective general release of any claims for liability imposed under it, the Indiana Deceptive Franchise Practice Law may supersede such inconsistent terms.

To the extent that Item 17 of the Disclosure Document and Section XXIV and Schedule 8 of the Franchise Agreement are in conflict with Section 2.7-1(9) of the Indiana Deceptive Franchise Practice Law, prohibiting non-competition agreements exceeding 3 years or an area greater than the exclusive area granted in the Franchise Agreement, Indiana law shall prevail.

Section 2.7-1(10) of the Indiana Deceptive Franchise Practice Law, which prohibits limiting litigation brought for breach of the agreement, supersedes items in this Disclosure Document and Franchise Agreement, to the extent that such items are inconsistent with Section 27-1(10) of the Indiana Deceptive Franchise Practice Laws.

MARYLAND

Item 17 of Disclosure Document and Section XXII of the Franchise Agreement requiring that franchisee sign a general release as a condition of purchase/renewal or assignment/transfer, may not be enforceable pursuant to the Maryland Franchise Registration and Disclosure Law, and are amended to the extent required by Maryland law. The requested release shall not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Any provisions of the Disclosure Document or Franchise Agreement that require franchisee to disclaim the occurrence of or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law are not intended to nor shall they act as a release, estoppel or

waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Provisions in the Disclosure Document and Franchise Agreement requiring franchisee to file any lawsuit in a court in the State of Indiana may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Section XXV of the Franchise Agreement are amended accordingly to the extent required by Maryland law.

To the extent that Franchise Agreement requires and the Disclosure Document discloses that a Franchisee must agree to a period of limitations of less than three years, this limitation to a period of less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 5 of the Disclosure Document and Sections IX(C) of the Franchise Agreement is amended to provide that the initial franchise fee and any other initial payments are due and payable when all Franchisor's pre- opening obligations to franchisee have been met.

On the next page is the form of release that will be request of Maryland franchisees as a condition to the franchisor's consent to the transfer of the franchise.

FORM OF RELEASE FOR MARYLAND FRANCHISEES

This Release is made on_____, 20 , between Recycled Granite Franchise, LLC, an Indiana limited liability company ("Franchisor") and its officers, directors and agents ("Affiliates"), and _____("Franchisee").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated_____, 20 (the "Franchise Agreement") in which Franchisor granted Franchisee the right to locate, develop, and operate a Recycled Granite™ business (the "Franchised Business"), and Franchisee assumed obligations to locate, develop, and operate the Franchised Business.

B. As a condition to Franchisor's consent to the transfer of the Franchised Business, Franchisee is willing to release Franchisor from certain obligations arising from the Franchise Agreement and related agreements, and any claims Franchisee may have against each Franchisee as described herein.

AGREEMENT

1. RELEASE AND COVENANT NOT TO SUE

Subject to the terms of this Release, and in consideration for the consent described above, Franchisee and the undersigned individual guarantors, if applicable, hereby release and discharge and hold harmless Franchisor, its principals, agents, members, shareholders, officers, directors, employees, successors, assigns, subsidiaries, and affiliated groups and each of them ("Affiliates"), from any and all losses, claims, debts, demands, liabilities, actions, and causes of action, of any kind, whether known or unknown, past or present, that any of them may have or claim to have against Franchisor or its Affiliates and any of them before or on the date of this Release, arising out of or related to the offer, negotiation, execution, and performance of the Franchise Agreement, the operation of the Franchised Business, and all circumstances and representations relating to such offer, negotiation, execution,

performance, and operation (collectively, "Released Claims", except as specifically reserved:

_____

_____

_____

Franchisee and guarantors agree that Released Claims shall specifically include any claim or potential claims under the Title 14 Sections 14-201 through 14-233 of the Maryland Annotated Code and laws otherwise governing relationships between franchisors and franchisees. Franchisee and guarantors hereby covenant and agree that none of them will bring any action against Franchisor or its Affiliates in connection with any Released Claim.

2. **NO ADMISSION**
Nothing contained in this Agreement shall be construed as an admission of liability by either party.

3. **NO ASSIGNMENT**
Each party represents and warrants to the other that it has not assigned or otherwise transferred or subrogated any interest in the Franchise Agreement or in any claims that are related in any way to the subject matter of this Release. Each party agrees to indemnify and hold the other fully and completely harmless from any liability, loss, claim, demand, damage, costs, expense and attorneys' fees incurred by the other as a result of any breach of this representation or warranty.

4. **ENTIRE AGREEMENT**
This Release embodies the entire agreement between the parties and supersedes any and all prior representations, understandings, and agreements with respect to its subject matter. There are no other representations, agreements, arrangements, or understandings, oral or in writing, and signed by the party against whom it is sought to be enforced.

5. **FURTHER ACTS**
The parties agree to sign other documents and do other things needed or desirable to carry out the purpose of this Release.

6. **SUCCESSORS**
This Release shall bind and insure to the benefit of the parties, their heirs, successors, and assigns.

7. **GOVERNING LAW; JURISDICTION**
This Release shall be construed under and governed by the laws of the State of Indiana, and the parties agree that the courts of Lake County, Indiana, shall have jurisdiction over any action brought in connection with it, except to the extent that the Franchise Agreement is governed by the laws or venue provisions of another state.

8. **SEVERABILITY**
If any part of this release is held invalid or unenforceable to any extent by a court of competent jurisdiction, this Release shall remain in full force and effect and shall be enforceable to the fullest extent permitted, provided that it is the intent of the parties that it shall be entire, and if it is not so entire because it is held to be unenforceable, then this Release and the consent given as consideration for it shall be voided by frustration of its purpose.

9. **VOLUNTARY AGREEMENT**

Each party is entering into this Release voluntarily and, after negotiation, has consulted independent legal counsel of its own choice before signing it, is signing it with a full understanding of its consequences, and knows that is not required to sign this Release. The parties acknowledge and agree that this Release constitutes a release or waiver executed pursuant to a negotiated agreement between a Franchisee and a Franchisor arising after the Franchise Agreement has taken effect and as to which each part is represented by independent legal counsel.

Recycled Granite™ Franchisee

By:_____

Its:_____

By:_____

Its:_____

MICHIGAN

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 of the right of a franchisee to join an association of franchisees.

B. A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.

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

D. A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if:

1. The term of the franchise is less than 5 years; and

2. 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:

1. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

2. The fact that the proposed transferee is a competitor of the Franchisor or Sub-Franchisor.

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

4. The failure of the Franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires the Franchisee to resell to the franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bon 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 that permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS 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
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Phone: 517/373-7117

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise 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.

In accordance with Minnesota Rule 2860.440J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80c.12), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify our from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

NEW YORK

FRANCHISE DISCLOSURE DOCUMENT

The cover page of the Franchise Disclosure Document will be supplemented with the following inserted at the bottom of the cover page:

> **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 TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.**

Item 3 of the Franchise Disclosure Document: Add the following:

A. Neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has an administrative, criminal, or civil action pending against the person alleging a felony, 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, or any pending actions other than routine litigation incidental to the business which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

B. Neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contender to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contender 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.

C. Neither we, our predecessors, a person identified in Item 2, nor 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.

Item 4 of the Franchise Disclosure Document: Add the following language:

A. Our President filed as an individual for protection under the U.S. Bankruptcy Code during the ten-year period immediately before the date of the Disclosure Document:

B. Filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;

C. Obtained a discharge of its debuts under the bankruptcy code; or

D. Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner held this position and or company or partnership.

Item 5 of the Franchise Disclosure Document: Add at the end of the last paragraph:

The purpose of the initial fee is to pay for the franchisor's training, sales, legal compliance, salary, and general administrative expenses, and profit.

Section XXV(K) of the Franchise Agreement and Item 17 of the Franchise Disclosure Document: Add the following at the end:

The foregoing choice of law should not be considered a waiver of any right conferred upon either the franchisee or the franchisor by the General Business Law of the State of New York Article 33.

Item 17 of the Franchise Disclosure Document: Modify the first paragraph to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

NORTH DAKOTA

I. Item 5 is amended by the addition of the following language to the original language:

Refund and cancellation provisions do not apply to franchises operating under the North Dakota franchise Investment Law. If the Company elects to cancel the Franchise Agreement, the Company will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred. This amount may not be more than fifty percent (50%) of the Franchise Fee.

II. Item 5, Note 1, the last paragraph shall be amended to read as follows:

If your Franchise Agreement is terminated, you may be required to continue royalty payments for so long as you or our assignee or successor continues to use our trademarks or systems in any way.

III. Item 6, Note 4, shall be amended to read as follows:

Note 4: You must protect, indemnify, and hold us harmless against any claims or losses arising out of your operation of the franchise business. Each party will bear its own expenses of any litigation to enforce the agreement.

IV. Item 17 is amended by the addition of the following language to the original language:

A. A provision is the Franchise Agreement that terminates the Franchise Agreement on the bankruptcy of the franchisee may not be enforceable under Title II, U.S. Code, Section 101.

B. The erosion of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

C. The North Dakota Century Code, Section 9-08-06 limits the franchisor's ability to restrict your ability to restrict your activity after the Franchise Agreement has ended.

D. Under North Dakota law, liquidated damages provisions are void. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by

fair practice laws, contract law, and state and federal court decisions. Thus, the provision requiring you to continue to pay amounts to franchisor if you elect to cancel the agreement may not be enforceable under North Dakota law.

V. Item 17 is amended to read as follows:

PROVISION	FRANCHISE AGREEMENT	SUMMARY
Your obligations on termination non-renewal	FA: XXIV	De-Identification, payment, non-disclosure, non-competition; you continue to pay royalties for so long as you use the trademarks if terminated for breach, unless you abandon the business, abide by post termination covenants, and release and indemnify us.

VI. Item 17: The Choice of Law and Arbitration sections are amended to read as follows:

A. The Franchise Agreement shall be governed by the laws of North Dakota.

B. Except as specifically otherwise provided in the Franchise Agreement, all contract disputes that cannot be amicably settled will be determined by arbitration under the Federal Arbitration Act and in accordance with the rules of the American Arbitration Association. Arbitration will take place at an appointed time and place in the county and state in which your franchised business is located. However, nothing in the Franchise Agreement limits or precludes the parties from brining an action in a court of competent jurisdiction for injunction or other provisional relief as needed or appropriate to compel a party to comply with its obligations or to protect the marks or the company's other property rights.

C. The Choice of Forum section is amended to delete the following:

Any action will be brought in the state or federal courts in Lake County, Indiana.

FRANCHISE AGREEMENT

I. Article IX, concerning refunds of initial franchise fees and royalties, is amended to add the following:

Refund and cancellation provisions do not apply to franchisees operating under the North Dakota Franchise Investment Law. If Franchisor elects to cancel this Franchise Agreement, Franchisor shall be entitled to a reasonable fee for its evaluation of Franchisees and related preparatory work performed and expenses actually incurred. This amount shall be no more than fifty percent (50%) of the franchise fee.

II. Sections XXIII and XXII, relating to termination and transfer, are amended to add the following:

The execution of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

III. Section XXIII(H), providing for liquidated damages on termination of the Franchise Agreement, is

hereby amended to read as follows:

h. Pay to Franchisor royalty fees and other ongoing fees, and other amounts Franchisee owes to Franchisor, as though Franchisee were still an active Franchisee, for so long as Franchisee or its assignee or successor continues to use the trademarks in any way. Franchisor is also entitled to all other applicable remedies.

IV. Section XXV is amended to read as follows:

In any action to enforce this Agreement or to seek remedies on default by either party, each party shall bear its own expenses of litigation or enforcement.

A. Section XXV is amended to add the following:

THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY THE COMPANY AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF NORTH DAKOTA, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT 15, U.S.C. SECTIONS 1015, ET. SEQ.).

B. Section XXV (H) providing for exclusive jurisdiction in Lake County, Indiana is deleted.

C. Paragraph XXV to the extent it provides for a limitation of one year on actions under the Franchise Agreement is hereby deleted.

D. Section XXV to the extent it provides for a waiver of punitive or exemplary damages, and a waiver of jury trial, is deleted.

V. The Arbitration section shall be deleted and amended to read as follows:

Except as specifically otherwise provided in this Agreement, the parties agree that all contract disputes that cannot be amicably settled shall be determined by arbitration under the Federal Arbitration Act as amended and in accordance with the rules of the American Arbitration Association or any successor thereof. Arbitration shall take place at an appointed time and place in the County and State in which Franchisee's franchised business is located. However, nothing contained herein shall be construed to limit or to preclude the parties from brining any action in any court of competent jurisdiction for injunctive or other provisional relief as the parties deem to be necessary or appropriate to compel either party to comply with its obligations hereunder or to protect the marks or other property rights of franchisor.

VI. The Acknowledgement section is amended to add the following:

Franchisee acknowledges that Franchisee received a copy of this Franchise Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

VII. The Covenants section is amended to add the following:

Covenants not to compete on termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

RHODE ISLAND

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> A provision in a Franchise Agreement restricting jurisdiction of venue to a forum outside this state or requiring the application of the laws of another state are void with respect to a claim otherwise enforceable under this Act.

VIRGINIA

In recognition of the restrictions contained in 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Recycled Granite Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Additional Amendment: The following statements are added to amend Item 5 and Sections VII., IX., and X. of the Franchise Agreement.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Development Area fee, initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under each franchise agreement. Payment of the Development Area fee will be due to the franchisor, on a pro-rata basis, upon the franchisor's completion of its preopening obligations for each franchise opened under the Development Agreement.

WASHINGTON

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington, in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator, to the extent required by Washington law.

The Disclosure Document and Franchise Agreement are amended to reflect that Franchisor agrees to defer collection of the initial Franchisee fee until Franchisee has received its initial training and is ready to open for business.

Item 5 of the Disclosure Document is amended to reflect that franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The Remainder of This Page Has Been Left Intentionally Blank.

ACKNOWLEDGEMENT

IT IS AGREED that the applicable foreign state law addendum, if any supersedes any inconsistent portion of the Franchise Agreement dated_____, 20 , and of the Franchise Disclosure Document, but only to the extent then required by applicable and enforceable state law, and only so long as such state law remains in effect.

FRANCHISOR: Recycled Granite Franchise, LLC

Signed:_____

Name:_____

Title: _____

Date: _____

FRANCHISEE

Signed:_____

Name:_____

Date: _____

Signed:_____

Name:_____

Date: _____

Signed:_____

Name:_____

Date: _____

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Recycled Granite®

OPERATIONS MANUAL

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EXHIBIT F

OPTION AGREEMENT

EXHIBIT F

FRANCHISE OPTION AGREEMENT

This Option Agreement is entered into as of_____, 20 ___between Recycled Granite Franchise, LLC ("Franchisor") and_____("Optionee").

1. Grant of Option. Optionee is hereby granted an option ("Option") to be awarded a Recycled Granite™ Franchise.

2. Location. Optionee has the exclusive right to enter into a Franchise Agreement during the term of this Option Agreement for a Recycled Granite™ franchise to be opened within_____miles of the "selected address" listed below. The exact location of the franchise is chosen by Optionee, subject to Franchisor's approval.

3. Option Fee. A non-refundable option payment of $5,000 is required with the execution of this Agreement. The option payment will be credited towards the Initial Franchise Fee of $15,000 or $10,000 for a second franchise and any additional franchises thereafter; if the Franchise Agreement is executed on or before the expiration date of this Agreement. An Optionee must prove financial qualifications and pass the background, credit, and criminal checks generally required of Recycled Granite™ franchisees and maintain those requirements at the time you exercise this Option. No refund will be paid if the financial qualifications or background check of the owners cannot be met before a franchise is granted.

4. Term. This Option will have a term of three months and begins on the date of this Agreement listed below.

5. Notices. All notices sent by one party to the other must be hand-delivered, sent by registered or certified mail, return receipt requested, or transmitted by facsimile, or sent via electronic means if the sender can verify receipt. They will be addressed to Franchisor at its office as above designated, or at the other address Franchisor designates in writing, and addressed to Optionee at the address Optionee designates in writing. Any notice is deemed given and received, when delivered, if hand-delivered; if sent by facsimile or electronic means, on the next business day after sent; and if mailed, on the third business day following the mailing.

6. Governing Law. This Agreement is valid when executed and accepted by Franchisor, and is governed by the laws of the State of Indiana. Lake County, Indiana will be the venue for any arbitration or litigation. This choice of laws will not affect the scope of the Indiana franchise, business opportunity or related statutes, and nothing in this Agreement will be deemed to extend the scope of application of those laws.

Selected Address_____

_____

_____

Dated _____, 20 _____Expiration Date

FRANCHISOR: Recycled Granite Franchise, LLC

Signed_____

Name_____

Title _____

OPTIONEE:

Signed_____

Name_____

Title _____

Signed_____

Name_____

Title _____

EXHIBIT G

List of Franchisees

Location/Name	Address	Phone Number
ARIZONA		
Julie & Josh Olauson A&E Recycled Granite	1660 S. Research Loop Tucson, AZ 85710	520-468-8830
CALIFORNIA		
Fred Cornejo Recycled Granite Southern California	2350 E. Orangethorpe Avenue Anaheim, CA 92806	714-225-6068
LaVina Hunter Recycled Granite Lake Elsinore	18481 Grand Ave. Lake Elsinore, CA 92530	760-885-8966
FLORIDA		
James & Pamela Bermel Recycled Granite Coastline	700 Atlantis Road, Suite 308 Melbourne, FL 32904	321-586-7913
KANSAS		
Mary Jo & Joe Ward Go Green Granite, LLC	1901 E. 144th Terrace Olathe, KS 66062	913-220-9433
KENTUCKY		

John Russell Castleview Enterprises, LLC dba Castleview Recycled Granite	4411 Alexandria Pike Cold Springs, KY 41076	859-743-7423
MICHIGAN		
David Popp Eco Granite Group	29915 8 Mile Road Livonia, MI 48152	248-820-9196
MISSOURI		
Krystal Turner Krete Construction Recycled Granite	411 Fletcher Drive~~Smithville, MO 64089~~ Smithville, MO 64089	816-446-8286
~~**MONTANA**~~		
~~Liz & Shane Petersen Stonetek Recycled Granite~~	~~120 Pollywog Lane Gelgrade, MT 59714~~	~~406-388-2312~~
MONTANA		
Liz & Shane Petersen Stonetek Recycled Granite	120 Pollywog Lane Gelgrade, MT 59714	406-388-2312
NORTH CAROLINA		
~~Taren Blue~~	~~311 A Lake Road~~	~~614-596-5298~~
Taren Blue Carolina Recycled Granite	311 A Lake Road Greenville, NC 27834	614-596-5298
Carmen & Noel Torres Green Mountain Recycled Granite/ Recycled Granite Charlotte	11220 Mount Holly-Huntersville Road Huntersville, NC 28078	980-253-3224
SOUTH CAROLINA		
Tracy Fehr Recycled Granite Upstate South Carolina	7 Harley Barn Drive Greenville, SC 29611	864-520-1990
TENNESSEE		
~~Brenna and Shaun Lewis~~Shannon Henry Recycled Granite Nashville, LLC	~~3639 B Trousdale Rd Nashville~~321-A S. Cumberland	615-~~815~~788-~~8~~ ~~8294~~050

	Lebanon, TN~~,~~ ~~3720~~437087	
TEXAS		
Leanne Whitwell Black Dog Recycled Granite	2912 Branch Hollow Circle Flower Mound, TX 75028	972-849-6622
~~Chris Morlan~~Vincent Chang Recycled Granite Texas	806 Anders, Suite A Kemah, TX~~,~~ 77565	832-266-2685
VIRGINIA		
~~Jeff Brucker Blue Ridge Recycled Granite, LLC~~	~~302 Buck Hollar Road Hillsville, VA 24343~~	~~724-355-8602~~
Patty & Randy Long Tidewater Recycled Granite	3718 Wedgefield Avenue Norfolk, VA 23502	757-288-7147
WASHINGTON		
Michael Ortman Recycled Granite Seattle	8224 224th St. SW Edmonds, WA 98026	425-478-2235

EXHIBIT H

List of Prior Members Who Declined to Become Franchisees

EXHIBIT H LIST OF MEMBERS

The following are the names, addresses and telephone numbers of all prior Members who previously operated under Membership Agreements but elected not to become franchisees and thus are no longer affiliated with Recycled Granite as described in Item 1 of the Disclosure Document as of November 29, 2016:

Location/Name	Address	Phone Number
NORTH CAROLINA		
Sandy Brady Earthstone Products	1040 Lindsey Street Greensboro, NC 27405	336-215-1599
OHIO		
Amanda & Lance Gornall Reclaimed Granite Columbus	12936 Stonecreek Boulevard Pickerington, OH 43147	614-519-7026
TENNESSEE		
Louwrens Mulder Superior Stone and Cabinets	8865 Kingston Pike Knoxville, TN 37923	615-522-9703

EXHIBIT I

Franchisees Who Left the System

List of Recycled Granite Franchisees Who Left the System As of December 31, 2018

~~NO FRANCHISEES HAVE LEFT THE FRANCHISE SYSTEM AS OF THE DATE OF THE DISCLOSURE DOCUMENT.~~

	Franchisee Name	Store Address	City	ST	Zip	Store Phone
	Jeff Brucker	302 Buck Hollar Road	Hillsville	VA	24343	(724) 355-8602

EXHIBIT J

FINANCIAL STATEMENTS

RECYCLED GRANITE FRANCHISE LLC

Report of Independent Auditors

and

Financial Statements

for the period from
January 1, 2018 through December 31, 2018

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Belk & Associates

REPORT OF INDEPENDENT AUDITORS

To the Members of
Recycled Granite Franchise LLC
St. John, Indiana

We have audited the accompanying balance sheet of Recycled Granite Franchise LLC as of December 31, 2018 and the related statements of income and changes in Member's Equity and cashflows for January 1, 2018 through December 31, 2018. The management of Recycled Granite Franchise LLC is responsible for these financial statements. 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. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Recycled Granite Franchise LLC as of December 31, 2018 and the results of its operations and its cash flows for January 1, 2018 to December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Belk & Associates LLC

St. John, Indiana
April 9, 2019

RECYCLED GRANITE FRANCHISE LLC
BALANCE SHEET
DECEMBER 31, 2018

Current Assets		
Cash		(1,306.28)
Cash - SAF		1,032.20
Total Current Assets	$	(274.08)
Fixed Assets		
Equipment		13,272.93
Accumulated Depreciation		(2,422.50)
Total Fixed Assets	$	10,850.43
Total Assets	$	10,576.35
Member's Equity	$	10,576.35
Total Member's Equity		10,576.35
Total Liabilities and Member's Equity	$	10,576.35

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF CASH FLOWS
-JANUARY 1 - DECEMBER 31, 2018-

Cash Flows from Operating Activities		
Net Income		4,385.92
Increase in Accumulated Depreciation		598.50
Net cash provided by Operating Activities	$	4,984.42
Cash Flows From Investing Activities		
Equipment Purchase		(10,571.27)
Net cash provided from Investing Activities	$	(10,571.27)
Cash Flows from Financing Activities		
Member's Distributions		(1,082.53)
Net cash provided from Financing Activities	$	(1,082.53)
Cash at beginning of period	$	6,395.30
Cash at end of period	$	(274.08)

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

		TOTALS
Income		
System Advertising Fee		7,436.00
Franchise Income		75,515.48
Total Income	$	82,951.48
Cost of Goods Sold		
SAF: Advertising		5,828.62
SAF: Consulting		606.00
SAF: Travel		647.02
Shipping		2,353.70
Materials		10,745.69
Total Cost of Goods Sold	$	20,181.03
Operating Expenses		
Advertising		7,594.45
Auto Expense		1,118.25
Bank Charges		15.00
Charitable Donations		350.00
Contract Labor		2,224.00
Depreciation		598.50
Meals & Entertainment		548.88
Office Expense		7,471.01
Payroll		21,285.12
Payroll Taxes		2,751.55
Postage & Delivery		846.77
Professional Fees		6,851.88
Repairs & Maintenance		1,239.61
Travel		1,560.99
Telephone		3,928.52
Total Operating Expenses	$	58,384.53
Net Income	$	4,385.92
Member's Equity, beginning of year		7,272.96
Net Income		4,385.92
Member's distributions		(1,082.53)
Balance, ending		10,576.35

RECYCLED GRANITE FRANCHISE LLC

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

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1. **Organization and nature of business**

Recycled Granite Franchise LLC (the Company), an Indiana limited liability company, was formed on May 29, 2015 to offer franchises for a granite and stone recycling business.

2. **Summary of significant accounting policies**

Basis of Accounting – The financial statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

The Company generates income from franchisees through both syndication fees and through system advertising fees (SAF). For the year ended December 31, 2018, the Company generated $7,436.00 in SAF income with $7,081.64 in related expenses.

3. **Income Taxes**

The Company is a single member limited liability company and was structured as a "disregarded entity" for federal, state and local income tax purposes. Accordingly, no provision for income taxes is made in the financial statements.

4. **Member's equity**

The Company is composed of one Member and is governed by the terms and conditions of the Limited Liability Company Agreement dated June 1, 2015. The Company shall continue until terminated in accordance with the terms of the Agreement as provided by law, including events of dissolution.

RECYCLED GRANITE FRANCHISE LLC

Report of Independent Auditors

and

Financial Statements

for the period from
January 1, 2017 through December 31, 2017

Belk & Associates

Office: 219.365.9520

jbelk@belkassociatesllc.com
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8025 Wicker Ave. Ste H
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REPORT OF INDEPENDENT AUDITORS

To the Members of
Recycled Granite Franchise LLC
St. John, Indiana

We have audited the accompanying balance sheet of Recycled Granite Franchise LLC as of December 31, 2017 and the related statements of income and changes in Member's Equity and cashflows for January 1, 2017 through December 31, 2017. The management of Recycled Granite Franchise LLC is responsible for these financial statements. 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. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Recycled Granite Franchise LLC as of December 31, 2017 and the results of its operations and its cash flows for January 1, 2017 to December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Belk & Associates LLC

St. John, Indiana
March 26, 2018

RECYCLED GRANITE FRANCHISE LLC
BALANCE SHEET
DECEMBER 31, 2017

		31-Dec-2017
Current Assets		
Cash	$	5,617.26
Total Current Assets		5,617.26
Fixed Assets		
Equipment		2,701.66
Accumulated Depreciation		(1,824.00)
Total Fixed Assets		877.66
Total Assets		6,494.92
Member's Equity	$	6,494.92
Total Member's Equity		6,494.92
Total Liabilities and Member's Equity		6,494.92

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF CASH FLOWS
-JANUARY 1 - DECEMBER 31, 2017-

Cash Flows from Operating Activities	
Net Income	581.48
Increase in Accumulated Depreciation	1,824.00
Net cash provided by Operating Activities	2,405.48
Cash Flows From Investing Activities	
Equipment Purchase	(2,701.66)
Net cash provided from Investing Activities	(2,701.66)
Cash Flows from Financing Activities	
Member's Distributions	(3,735.85)
Net cash provided from Financing Activities	(3,735.85)
Cash at beginning of period	9,649.29
Cash at end of period	$ 5,617.26

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

		TOTALS
Income		
Sales		17,445.00
Franchise Income		60,000.00
Total Income		77,445.00
Cost of Goods Sold		
Materials		3,208.08
Small Tools		257.46
Franchise Fees		30,500.00
Total Cost of Goods Sold	$	33,965.54
Operating Expenses		
Advertising		5,433.42
Bank Charges		522.05
Contract Labor		8,744.10
Computer & Internet Fees		87.02
Dues & Subscriptions		300.00
Depreciation		1,824.00
Internet		177.94
Licenses & Permits		32.00
Meals & Entertainment		512.67
Office Expense		2,877.91
Office Supplies		2,298.14
Postage		1,292.83
Professional Fees		7,587.39
Rent		1,800.00
Travel		8,634.37
Telephone		472.39
Utilities		301.75
Total Operating Expenses		42,897.98
Net Income		581.48
Member's Equity, beginning of year		9,649.29
Net Income		581.48
Member's contributions		(3,735.85)
Balance, ending		6,494.92

RECYCLED GRANITE FRANCHISE LLC

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2017 THROUGH DECEMBER 31, 2017

1. **Organization and nature of business**

Recycled Granite Franchise LLC (the Company), an Indiana limited liability company, was formed on May 29, 2015 to offer franchises for a granite and stone recycling business.

The Company is in its initial start-up phase and is currently in the process of selling franchise to operate in various states.

2. **Summary of significant accounting policies**

Basis of Accounting – The financial statements are prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

3. **Income Taxes**

The Company is a single member limited liability company and was structured as a "disregarded entity" for federal, state and local income tax purposes. Accordingly, no provision for income taxes is made in the financial statements.

4. **Member's equity**

The Company is composed of one Member and is governed by the terms and conditions of the Limited Liability Company Agreement dated June 1, 2015. The Company shall continue until terminated in accordance with the terms of the Agreement as provided by law, including events of dissolution.

RECYCLED GRANITE FRANCHISE LLC

Report of Independent Auditors

and

Financial Statements

for the period from
January 1, 2016 through December 31, 2016

BELK & ASSOCIATES

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BELK & ASSOCIATES

8025 Wicker Ave Ste H St. John, IN 46373
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www.belkassociatesllc.com

REPORT OF INDEPENDENT AUDITORS

To the Members of
Recycled Granite Franchise LLC
St. John, Indiana

We have audited the accompanying balance sheet of Recycled Granite Franchise LLC as of December 31, 2016 and the related statements of income and changes in Member's Equity and cashflows for January 1, 2016 through December 31, 2016. The management of Recycled Granite Franchise LLC is responsible for these financial statements. 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. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Recycled Granite Franchise LLC as of December 31, 2016 and the results of its operations and its cash flows for January 1, 2016 to December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

Belk & Associates LLC

St. John, Indiana
April 27, 2016

RECYCLED GRANITE FRANCHISE LLC
BALANCE SHEET
DECEMBER 31, 2016

		31-Dec-2016
Current Assets		
Cash	$	9,649.29
Total Current Assets		9,649.29
Total Assets		9,649.29
Member's Equity	$	9,649.29
Total Member's Equity		9,649.29
Total Liabilities and Member's Equity		9,649.29

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF CASH FLOWS
-JANUARY 1 - DECEMBER 31, 2016-

Cash Flows from Operating Activities		
Net Income	$	10,149.29
Net cash provided by Operating Activities		10,149.29
Cash Flows from Financing Activities		
Decrease in Loans Payable		(50,000.00)
Member's Distributions		(1,000.00)
Net cash provided from Financing Activities		(51,000.00)
Cash at beginning of period		50,500.00
Cash at end of period	$	9,649.29

RECYCLED GRANITE FRANCHISE LLC
STATEMENT OF INCOME AND CHANGES IN MEMBER'S EQUITY
JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

	TOTALS
Income	
Sales	57,410.00
Total Income	57,410.00
Cost of Goods Sold	
Franchise Fees	31,500.00
Total Cost of Goods Sold	31,500.00
Operating Expenses	
Advertising	1,658.45
Bank Charges	45.00
Computer & Internet Fees	1,208.99
Education & Training	1,195.00
Interest Expense	118.75
Licenses & Permits	32.00
Meals & Entertainment	174.40
Office Expense	983.50
Office Supplies	13.80
Postage	22.70
Professional Fees	7,351.89
Travel	2,956.23
Total Operating Expenses	15,760.71
Net Income	10,149.29
Member's Equity, beginning of year	500.00
Net Income	10,149.29
Member's contributions	(1,000.00)
Balance, ending	9,649.29

RECYCLED GRANITE FRANCHISE LLC

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

1. **Organization and nature of business**

Recycled Granite Franchise LLC (the Company), an Indiana limited liability company, was formed on May 29, 2015 to offer franchises for a granite and stone recycling business.

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EXHIBIT K

Receipts

RETURN THIS SIGNED COPY TO THE FRANCHISOR

ACKNOWLEDGEMENT OF RECEIPT FOR FDD Franchise Disclosure Document [FDD] RECYCLED GRANITE FRANCHISE, LLC

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF RECYCLED GRANITE FRANCHISE, LLC OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF RECYCLED GRANITE FRANCHISE, LLC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL LAW AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE APPROPRIATE STATE AGENCY AS IDENTIFIED ON EXHIBIT B OF THIS DISCLOSURE DOCUMENT.

Recycled Granite Franchise, LLC's franchise sellers are Julie Rizzo~~,~~ and Julie Olauson 1952 US Highway 41, Schererville, IN 46375, (219) 313-1388.

Issuance Date: April ~~17, 2018~~9, 2019 (with effective dates as stated on the fifth page of this Disclosure Document).

I received a Recycled Granite™ Disclosure Document dated April ~~17, 2018~~9, 2019 that included the following

Exhibits: A Franchise Agreement with attached Schedules
B ~~B~~ List of State Agencies and Regulators ~~C~~
C Franchise Disclosure Questionnaire
D State Addenda E Operations

Manual Table of Contents F Option Agreement
G List of Franchisees
H List of Members
I Franchisees Who Have Left the System
J Financial Statements
K Receipts

Date

Recipient/Franchise Applicant

RETURN THIS SIGNED FORM TO THE FRANCHISOR. Mail to: Recycled Granite Franchise, LLC, 8348 Heron Lake Road, Saint John, IN 46373. **Fax to:** (219) 627-2011

APPLICANT COPY

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K Receipts

Date

Recipient/Franchise Applicant

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT

Document comparison by Workshare 9 on Tuesday, April 30, 2019 11:43:38 AM

Input:	
Document 1 ID	netdocuments://4832-3696-4495/1
Description	Recycled Granite - CA Final Merged FDD 2018 (5.7.18)
Document 2 ID	netdocuments://4847-7599-8357/1
Description	Recycled Granite - Combined 2019 FDD
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	858
Moved from	50
Moved to	50
Style change	0
Format changed	0
Total changes	2144