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# FRANCHISE DISCLOSURE DOCUMENT

**THE GLASS GURU FRANCHISE SYSTEMS, INC.**

**a California corporation**

1382 Blue Oaks Blvd., STE. 213 Roseville, California 95678
(916) 846-7757 | www.theglassguru.com | info@theglassguru.com

As a franchisee, you will install, repair and replace residential and commercial glass, windows and doors, and provide other related services and sell other related products to residential and commercial customers.

The total investment necessary to begin operation of a Glass Guru Franchise ranges from $ 72,750 to $179,500, as discussed in Item 7. This includes the total amount in Item 5, which ranges from $19,500 to $52,500 (the initial franchise fee) that must be paid to the Franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Glen Greenfelder, 1382 Blue Oaks Blvd., STE. 213 Roseville, California 95678, Telephone: (916) 865-4417.

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

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

**The issuance date:** March 22, 2019

# STATE COVER PAGE

1. 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.

2. 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.

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

   A. THE FRANCHISE AGREEMENT REQUIRES THAT CERTAIN DISAGREEMENTS BE ARBITRATED (OR LITIGATED, IN CERTAIN INSTANCES) IN SACRAMENTO COUNTY, CALIFORNIA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.

   B. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT; HOWEVER, CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOUR STATE HAS FRANCHISE LAWS THAT PROTECT YOU. YOU SHOULD REVIEW THE ADDENDA ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENT FOR STATE-SPECIFIC PROVISIONS.

   C. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY UNDER THE FRANCHISE AGREEMENT. EACH FRANCISEE HAS THE RIGHT TO PROVIDE SERVICES AND SELL PRODUCTS TO IMMEDIATE FAMILY MEMBERS LOCATED INSIDE ANOTHER THE GLASS GURU FRANCHISEE'S TERRITORY. HOWEVER, EXCEPT AS PART OF AUTHORIZED COOPERATIVE ADVERTISING, OR APPROVED IN WRITING BY FRANCHISOR, A FRANCHISEE MUST NOT DIRECTLY MARKET NOR SOLICIT CUSTOMERS IN AREAS INSIDE THE TERRITORY OF ANOTHER THE GLASS GURU FRANCHISE.

   D. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. IF YOU FAIL TO DO SO, YOUR TERRITORY SIZE COULD BE REDUCED, OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.

E. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

# STATE EFFECTIVE DATES

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

This Franchise Disclosure document is registered, on file in the following states having franchise regulation and disclosure laws, with the following effective dates:

| State | Effective Date |
|---|---|
| California | |
| Hawaii | |
| Illinois | |
| Indiana | |
| Maryland | |
| Michigan | |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Virginia | |
| Washington | |
| Wisconsin | |

# FOR THE STATE OF 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.

1. A prohibition of the right of a Franchisee to join an association of Franchisees.

2. A requirement that a Franchisee assent to a release, assignment, novation, waiver or estoppel that deprives a Franchisee of rights and protections provided in this act. This must not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.

3. A provision that permits a Franchisor to terminate a franchise prior to the expiration of this term except for good cause. Good cause must 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 and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

4. 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 that have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) 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.

5. 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.

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

7. A provision that permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause must include, but is not limited to:

   A. The failure of the proposed transferee to meet the Franchisor's then-current reasonable

qualifications or standards.

B. The fact that the proposed transferee is a competitor of the Franchisor or Subfranchisor.

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

D. 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.

8. A provision that requires the Franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in subdivision (C).

9. 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 a provision has been made for providing the required contractual services.

If the Franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00 the Franchisee may request the Franchisor to arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations, if any, of the Franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the Franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE MAY BE DIRECTED TO THE STATE OF MICHIGAN, DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, 525 W. OTTAWA ST., WILLIAMS BUILDING, 6th FLOOR, LANSING, MICHIGAN 48933, TELEPHONE (517) 373-7117.

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

To simplify the language in this Disclosure Document, the words "we," "our" and "us" refer to The Glass Guru Franchise Systems, Inc., a California corporation, the franchisor of this business. "You" and "your" refer to the person who buys the franchise, whether you are a sole proprietor, corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted.

The Franchisor

We were formed in California on February 14, 2006, to offer The Glass Guru franchises. We are independently owned, and we do not have a predecessor or parent company. Our principal business address is 1382 Blue Oaks Blvd., STE. 213, Roseville, California 95678. We do business under our corporate name and the name "The Glass Guru." We have offered franchises since January 9, 2007. Prior to this date, we had not previously offered franchises in this or in any other line of business. The agent for service of process is Glen E. Greenfelder, VP of Corporate Development, 1382 Blue Oaks Blvd., STE. 213, Roseville, CA 95678 Please refer to **Exhibit C** for a list of agents for service of process in states other than California.

Our Business Activities

We grant franchises to qualified persons or business entities in connection with the service mark "THE GLASS GURU" and other related trademarks and logos (collectively referred to as the "Marks").* We refer to these businesses as "The Glass Guru Business." We refer to The Glass Guru Business you will operate as the "Franchise Business."

The Glass Guru Business installs, repairs and replaces residential and commercial glass, windows and doors, and provide other related services and sell other related products to residential and commercial customers. You must operate the Franchise Business in accordance with our standards, methods, procedures and specifications, which we refer to as our "System" and which is more particularly described in our Franchise Agreement attached as ***Exhibit A*** to this Disclosure Document. We (and our Affiliate) have custom designed, developed and/or acquired lines of products, such as certain window restoration tools and equipment, and other tools and equipment items especially suited for use in connection with the Franchise Business ("The Glass Guru Restoration Tools"). We are the supplier of The Glass Guru Restoration Tools to our franchisees.

Our Affiliate

** Capitalized terms not otherwise defined have the same meaning as in our Franchise Agreement attached as Exhibit A to this Disclosure Document.*

Roseville Glass Partners, Inc. (formally, The Glass Guru, Inc.) (our "Affiliate") began business in September 2004 as a limited liability company formed under the laws of Nevada. On July 28, 2005, our Affiliate was registered as a limited liability company in California. Our Affiliate was converted into a California corporation on July 28, 2006 and operates as a corporation today and is located at198 Cirby Way, STE. 120, Roseville, California 95678. Our Affiliate changed its name in March 2011. Our Affiliate has owned and operated one The Glass Guru Business in California since 2004. Our Affiliate does not and has not previously offered franchises in this or in any other line of business.

General Description of the Market and Competition

Our concept is targeted to residential and commercial customers. As a franchisee, you will compete with a variety of other businesses that install, repair and replace residential and commercial glass, windows and doors, and provide other related services and sell other related products to residential and commercial customers. Your competition may be local independently owned businesses or may be part of a regional or national dealership chain or franchise including companies such as the Glass Doctor, Speedy Auto Glass, Window World or Window Medics. You may also compete with other The Glass Guru Business operated by us or other franchisees.

Regulations Specific to the Industry

You must comply with all laws, rules and regulations governing the operation of the Franchise Business and obtain all permits and licenses necessary to operate the Franchise Business. California, Nevada, Arizona, Florida, and other states require licensing to provide glass and window replacement or similar services. You should contact your state to determine if you must obtain a license. California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Franchise Business, including those which: (a) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking, availability of and requirements for public accommodations, including restroom facilities and public access; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting requirements for accommodations for disabled persons; (d) set standards and requirements for fire safety and general emergency preparedness; and (e) regulate the proper use, storage and disposal of waste or other hazardous materials. You should investigate the federal, state or local laws, rules or regulations that apply in the geographic area in which you are interested in locating your Franchise Business and should consider both their effect and cost of compliance. Under the Franchise Agreement, you alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

## ITEM 2. BUSINESS EXPERIENCE

**President/CEO | Daniel Frey**

Mr. Frey, has served as our President/CEO since 2007. In addition, Dan is also Co-Founder and Director and President/CEO of our Affiliate, The Glass Guru of Roseville, CA since September 2004.

**COO/CFO | Glen Greenfelder**

Glen was hired as Director of Franchise Sales in August 2010, and was promoted to VP of Corporate Development, and appointed as a Director, in January 2011. In 2013, Glen was elected as the Company's CFO, as well as Chief Operating Officer in 2018.

**CDO | Dave Hull**

Dave was hired as VP of Franchise Development and appointed a Director in January 2011. Dave was General Manager of our Affiliate, The Glass Guru of Roseville, CA from October 2009 - March 2011. Dave was elected at Chief Development Officer in 2018.

**Director of Operations | Sean Young**

Sean has served as Director of Corporate Development Since November 2015, and he made the shift to Director of Operations in 2018. Previously, he served as our Director of Franchise Operations from July 2012 - November 2015. Sean's prior experience includes Director of Customer Success with Palo Alto, CA based OnRevenue.com from May 2010 – July 2012.

**Director of Franchisee Business Development | Rob Lopez**

Mr. Lopez has served as our Director of Franchise development since November 2015. Previously, Rob was the Owner/Operator of a ServiceMaster Clean franchise in Punta Gorda, FL from October 2007 – August 2014. Post selling his ServiceMaster Clean Franchise in August 2014, Mr. Lopez held no position of employment from September 2014 through October 2015.

**Director of Marketing | Jesse James Bracamonte**

Jesse has served as our Director of Marketing since December of 2013. Previously, from September 2008 through September 2013, he was the founder/President of One Source Media Group, based in Elk-Grove, CA.

**Director of Franchisee Field Operations | Jason Rumble**

Mr. Rumble has served as our Field Training Manager since February 2017. From April 2011 through January 2017, Jason had served as General Manager of our Affiliate, The Glass Guru of Roseville, CA.

**Office Systems Training Manager | Jennifer Eggerts**

Prior to joining the Glass Guru in March 2018, Jennifer was the President of Ferez, Inc, a business development consulting firm, beginning in 2010.

## ITEM 3. LITIGATION

No litigation information 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

You must pay us an Initial Franchise Fee of $19,500 to $52,500 based on the population of the chosen territory by reference to the most recent figures available from the United States Census Bureau at the time the Area of Primary Responsibility is designated, less applicable discounts when you sign the Franchise Agreement. The Franchise Fee may be paid either in a lump sum or if you meet our credit standards, by payment of a down payment plus the signing of a promissory note. We may finance up to 30% of the initial Franchise Fee. The Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as described in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

How the Initial Franchise Fee is Calculated

The Initial Franchise Fee is determined by the aggregated population of the zip/postal codes included in the Area of Primary Responsibility (the Franchise Territory.) This fee is calculated utilizing a sliding scale, decreasing by $.05 per 1,000 persons in population as the territory population increases in size. There is a minimum franchise fee of $19,500 for any Franchise Territory equal to or less than 200,000 in population. The Initial Franchise Fee is capped at $52,500 for a Franchise Territory of 750,000 or greater in population. The table below provides examples of the Initial Franchise Fee calculation for various sample territory populations:

| Population | $ Per 1,000 Persons | Franchise Fee |
|---|---|---|
| 200,000 | $97.50 | $19,500 |
| 250,000 | $95.00 | $23,750 |
| 350,000 | $90.00 | $31,500 |
| 450,000 | $85.00 | $38,250 |
| 550,000 | $80.00 | $44,000 |
| 650,000 | $75.00 | $48,750 |
| 750,000 or greater | $70.00 | $52,500 |

Minimum Franchise Fee = $19,500/ Maximum Franchise Fee = $52,500

Veteran Discount

If you are an honorably discharged veteran who meets our qualifications for purchasing a franchise, we will discount the initial franchise fee by an amount equal to 10% of the initial franchise fee. This Veteran discount is available only to United States and Canadian veterans and the term "veteran" shall be defined by us in our sole discretion. However, in determining who is included in the term "veteran" we may be guided, in whole or in part, by any definitions we think appropriate, including definitions used by the federal government of the United States or Canada, as applicable, in determining who is eligible for federal benefits intended for veterans.

Incentives for Converted Businesses

Franchisor, at its sole discretion, may choose to award a franchise territory to a Franchisee who concurrently owns a business that offers/sells products and services that directly compete with The Glass Guru ("Competing Business") as defined in the Agreement. In these circumstances, Franchisee will be required to convert Competing Business with and into the Franchise Business. All subsequent business will be conducted by the Franchisee under the mark(s) of The Glass Guru, utilizing appropriate copyrighted materials, manuals, systems, etc., subject to the terms and conditions of the Agreement. While Franchisor will discuss a business conversion with any Competitive Business, a Competitive Business is only eligible receive "Incentives for Converted Businesses" when the Competitive Business converting to a Franchise Business can demonstrate Gross Sales equal to, or greater than $500,000 for the most current 12-month operating period. In the case where Franchisee converts a Competitive Business into a Franchise Location, the Converted Business discount schedule for the Franchise Fee and/ Royalty Fee will apply as follows:

**Option 1**

A. Franchisee receives a 50% reduction in the Initial Franchise Fee; and,
B. For a period of 12 months, Franchisee will receive a 50% reduction in the monthly Royalty Fee (as defined above) for the mutually agreed upon Gross Sales from most current 12-month period prior to converting. Any Gross Sales exceeding this amount derived during the first 12-months of operations will be subject to the full monthly Royalty Fee amount defined above. This reduction in the monthly Royalty Fee will terminate following the Franchise Business's 1st full year (12-months) of operation.

**Option 2**

A. Franchisee receives NO reduction in the Initial Franchise Fee; and,
B. For a period of 24 months, Franchisee will receive a 50% reduction in the monthly Royalty Fee (as defined above) for the mutually agreed upon Gross Sales from most current 12-month period prior to converting. Any gross sales exceeding of this amount derived during this 12-month period will be subject to the full Monthly Royalty Fee amount as defined in section 3.2 of the Agreement. This reduction in monthly Royalty Fees will reset and renew for a subsequent 12-month period during the franchise Business 2nd full year of operation. This reduction in the monthly Royalty Fee will terminate following the Franchise Business's 2nd full year (24-months) of operation.

Refunds

If the Franchise Agreement is terminated before you begin operations of the Franchise Business, you may return any tools or supplies purchased from us for a refund, provided that the items are unopened, unused or remain in a saleable condition.

## ITEM 6. OTHER FEES

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee | 5% of Gross Sales for all Product & Services. | Monthly by the 20th day of the calendar month | See definition of Gross Sales.1 (*Section 1*)* |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Marketing Fee | Franchisor charges a Marketing Fee. Franchisee is required to pay Marketing Fee on a monthly basis equal to three percent (3%) of the corresponding monthly Gross Sales on the first $500,000, two percent (2%) from $500, 001 to $1,000,000 and one percent (1%) on Gross Sales over $1,000,000 in a calendar year. | Monthly by the 20th day of the calendar month | See Definitions for Marketing Fee, and further clarifications (Section 3.4) |
| Local Advertising | Franchisee must spend the greater of five percent (5%) of the prior year's Gross Sales divided by the months of operation in the prior year, or minimum monthly local advertising expenditure of $1,250 ("Minimum Local Advertising Expenditure") on advertising, promotions, and public relations within the agreed upon Area of Primary Responsibility A Franchise Business failing to meet the "Minimum Local Advertising Expenditure" will be assesd a fee ("Local Advertising Penalty") equal to and year-to-date shortfall in Local Advertising Expenses. | Monthly | You pay directly subject to our approval. (*Section 11.2*) Failing to meet the "Minimum Local Advertising Expenditure" will result in an additional fee (*Section 11.2 2*) We may require Local Advertising expenditures to be used in cooperative advertising. (*Section 11.4*) Your expenditures for Local Advertising are in addition to required Marketing Fund Contributions and required Brand Identity Package expenditures (*described in ITEM 7*). Further information about all of our advertising programs is also included in *ITEM 11* of this Disclosure Document. |
| Cooperative Advertising | Any or all of required Local Advertising may be re-designated for Cooperative Advertising. | As directed | We may establish and administer a Cooperative Advertising program within your regional marketing area. Payable as directed to us or an advertising cooperative. (Section 11.4) At our option, our company-owned outlets may participate in the Cooperative If so, each company-owned outlet will have one vote per outlet. |
| ServiceBridge Software or other business software as authorized | Currently $70 per month. | Monthly | For ServceBridge Software, paid monthly to us (Includes 1 user license; 1 additional license required for connection to QBO. Additional user licenses available for $35/user/month) Other equivalent software used in the future, may be paid to third party or us. |
| Financial Benchmarking Software; Qvinci or other approved application | $15 per month | Monthly | Required |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Trade Associations | $100 | Yearly | National Glass Association |
| Late Entry Fee | $175 | Upon demand | Failure to enter customer data within 48 hrs of initial customer contact during the month will result in a Late Entry Fee. Non-compliance for three or more months during a calendar year will require an audit at franchisees expense (*Section 12.5*) |
| Audit Expenses[2] | All costs and expenses associated with audit. | Upon demand | Audit costs payable only if the audit shows an understatement in amounts due of at least 3% or if audit is conducted due to your failure to report (*Section 12.6*) |
| Late Fees | 1 5% per month or the highest rate allowed by the law of the state where you are located, whichever is less | Upon demand | Applies to all overdue Royalty Fees, Marketing Fund Contributions and other amounts due to us. (Section 3.7) Also applies to any understatement in amounts due revealed by an audit (Section 12 6) |
| Insurance Policies | Amount of unpaid premiums plus our reasonable expenses in obtaining the policies | Upon demand | Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (*Section 15.5*) |
| Transfer Fee | $5,000 | Time of transfer | Does not apply to an assignment under *Section 18.3* of the Franchise Agreement. (see *Section 18.2.8*) |
| System Modifications | An amount not unreasonably disproportionate to your original investment | As required | If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense (Section 10.2) |
| Customer Service[3] | All costs incurred in assisting your customers. | Upon demand | You must reimburse us if we determine it is necessary for us to provide service directly your customers. (*Section 11.9*) |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Substitute or New Manager Training | Rates as published in the Manual, currently, $200 per day, plus your expenses as well as your employees' expenses in attending. | As required | If your Designated Manager does not satisfactorily complete our initial training program (or if you replace your Designated Manager), a substitute (or your replacement manager) must complete our initial training program. We may charge you for additional training. (*Sections 8.4 and 8.5*) (See "Additional Training" in this table.) |
| Temporary Management Assistance | Market rates, currently $250 per day , plus expenses or 25% of the Gross Sales during that period. | Each month that it applies | Following the delivery of a notice of termination of the Franchise Agreement, we may assume operation of the Franchised Business until such time as you correct the breach resulting in the notice of termination. Additionally, following the death or incapacity of an owner of the Franchised Business, if necessary in our discretion, we may assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by us. We may charge a management fee during the time we are operating your Franchised Business and we will also be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of the Franchised Business (Sections 16.5 and 18.6.2) |
| Ongoing Training Programs[4] | Fees as determined by us. | Time of program | You must pay your expenses as well as your employees' expenses in attending. Attendance will not be required more than 2 times per year and collectively will not exceed 6 days in any year, including attendance at an Annual Convention (Section 8.6) |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Additional Training | Rates as published in the Manual; currently, $250 per day per person, plus your expenses as well as your employees' expenses in attending | Time of training | We provide training for you and one office assistant. Up to 2 additional field or office assistants will be provided training with our prior authorization. You may pay for additional training if you request it (*Section 8.1*) |
| Additional Operations Assistance | Rates as published in the Manual, currently, $250 per day per staff member plus our expenses. | Time of assistance | We provide assistance around the beginning of operations. You may pay for additional assistance if you request it. (*Section 8.1*) |
| New Technician Training | You are required to pay our then-current standard rates for technician training and certification programs, currently $250 per day In addition, all expenses incurred by your technicians in attending these programs, including travel costs, room and board expenses and employees' salaries will be your sole responsibility | Time of program | Optional for new trainees. Does not apply to any technicians attending the initial training we provide to you and your assistants. (Sections 8.1 and 8.2) |
| Annual Convention | Currently, $750 unless you attend the Convention. If you do not attend Convention, the fee is paid in any case and any training materials will be made available to you at the time and manner we determine. If you attend the convention, we will discount the $750 fee to an amount that is usually $350 per convention attendee. | Before date of convention | Payable if we hold an Annual Convention for franchisees. You must pay the fee even if you fail to attend the Annual Convention. You must pay your expenses as well as your employees' expenses in attending. (*Section 8.7*) |
| Cost of Enforcement | All costs including attorneys' fees | Upon demand | You must reimburse us for all legal costs in enforcing obligations if we prevail. (*Section 22.4*) |
| Indemnification | All costs including attorneys' fees | Upon demand | You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the Franchised Business. (*Section 21.3*) |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Administrative Fee for Improper Reporting | $75 each occurrence | Upon demand | Payable if you submit monthly Gross Sales Report in an improper or unapproved format or fail to submit the Gross Sales Reports when due |
| Charge for Insufficient Funds | $40 each occurrence | Upon demand | Payable if there are insufficient funds in your registered account at the time an attempt is made to withdraw funds for required fees & services |

No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any other third party. Unless otherwise noted, all fees are payable to the Franchisor. All fees are non-refundable. Any fees refunded by Franchisor, will be at Franchisor's sole and exclusive discretion.

NOTES

[1] "Gross Sales" means the total gross revenues collected or received from whatever source (whether in the form of cash, credit, agreements to pay, barter, trade credits, good will or other consideration) that arise, directly or indirectly, from or in connection with the operation of your franchise, including but not limited to:

a. the sale of goods and/or services offered by or through the franchise;

b. the sale of goods and/or services by you or a third-party selling products and/or services on your behalf that are sold or that are required to be sold under the terms of the Franchise Agreement, no matter from what location or business the income is generated;

c. the proceeds from any business interruption insurance and/or damages or settlement amounts received to compensate you for lost revenue of the franchise;

d. any revenue generated from commissions, rebates or affiliated programs; and,

e. except as provided below for charity activities, the value of any goods and/or services provided without compensation to you.

[2] Currently, we do not have sufficient information to provide you an estimate of your costs to reimburse us after an audit that shows an understatement in amounts due us. We assume the cost of auditing a Franchise Business varies depending on various factors, such as, prevailing auditor's rates in the geographic area where the Franchise Business is located, the extent of business activity which is being audited, the condition of the books and records of the Franchise Business and the period of time that is being reviewed. If you are required to reimburse us the costs of an audit, the reimbursement will not exceed our actual costs.

[3] The cost to reimburse us our expenses if we have to satisfy a complaint of your customer varies depending on the nature of the customer complaint, the expertise required to handle the complaint, how much time is involved in satisfying the complaint, whether any products must be replaced or services provided by us to satisfy the complaint, and if so, the value of such products or services. If you must reimburse us our expenses to satisfy a complaint of your customer, the reimbursement costs will not exceed our actual costs.

[4] Attendance at our ongoing training programs, seminars or conferences is mandatory for your Designated Manager. We may charge an attendance fee for mandatory ongoing training programs, seminars and conferences, and you are responsible for transportation and expenses for meals and lodging while attending ongoing training programs. The total cost may vary depending on the number of people attending, how far you travel and the type of accommodations you choose. Further information about ongoing training programs is included in ITEM 11 of this Disclosure Document. Currently, we do not have sufficient information from which to provide an estimated cost or range of costs of your expenses to attend our ongoing training programs. For further reference, you may wish to review the estimated range of costs to attend our initial training program included in the Initial Investment Chart in ITEM 7 of this Disclosure Document.

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## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

| Names of Expenditures | Actual or Estimated Amounts for You | Method of Payment | When Due | To Whom |
|---|---|---|---|---|
| Franchise Fee[1] | $19,500 - $52,500 | Cashier's Check / Installments | Upon Signing Franchise Agreement | Us |
| Real Estate/Rent[2] | $3,500 - $8,000 | As Arranged | Before Beginning Operations | Lessor |
| Utility Deposits[3] | $0 - $500 | As Arranged | Before Beginning Operations | Utilities |
| Leasehold Improvements[4] | $500 - $2,000 | As Arranged | Before Beginning Operations | Third Parties |
| Insurance[5] | $500 - $1,500 | As Arranged | Before Beginning Operations | Third Parties |
| Office Equipment and Supplies[6] | $1,500 - $5,000 | As Arranged | Before Beginning Operations | Third Parties |
| Training[7] | $1,500 - $2,500 | As Arranged | Before Beginning Operations | Third Parties |
| Signage[8] | $2,500 - $4,000 | As Arranged | Before Beginning Operations | Third Parties |
| Furniture, Fixtures & Equipment[9] | $500 - $3,500 | As Arranged | Before Beginning Operations | Third Parties |
| Computer Equipment[10] | $2,500 - $7,500 | As Arranged | Before Beginning Operations | Third Parties |
| Software Systems[11] | $250 - $1,000 | As Arranged | First 3 months of Operation | Us |
| Phone System[12] | $500 - $2,500 | As Arranged | Before Beginning Operations | Third Parties |
| Vehicle[13] | $15,000 - $40,000 | As Arranged | Before Beginning Operations | Third Parties |
| Brand Identity Package[14] | $5,000 - $10,000 | As Arranged | Before Beginning Operations | Us |
| Licenses & Permits[15] | $2,000 - $4,000 | As Arranged | Before Beginning Operations | Licensing Authority |
| Legal & Accounting[16] | $2,500 - $5,000 | As Arranged | First 3 Months of Operation, and As Necessary | Attorney, Accountant |
| Additional Funds/ (3 months) Working Capital[17] | $15,000 - $30,000 | As Arranged | As Necessary | You Determine |
| **TOTAL[18]** | **$72,750 - $179,500** | | | |

**NOTES**

We anticipate that you will incur the initial expenditures estimated above in the establishment of a Franchise Business. Financing for the initial expenditures is offered by franchisor under the terms described in Item 10 below.

[1] Franchise Fee. The initial Franchise Fee is described in greater detail in ITEM 5 of this Disclosure Document. The terms for payment of a portion of the Franchise Fee in installments are described in greater detail in ITEM 10 of this Disclosure Document.

[2] Real Estate/Rent. You must lease or otherwise provide a suitable facility for the operation of the Franchise Business. You must lease a space, your lease costs can vary based upon variance in square footage, cost per square foot and required maintenance costs. We assume that you will have to pay the first month's rent and a security deposit equal to one month's rent in advance. The rent you pay is typically not refundable, but your security deposit may be under certain circumstances.

[3] Utility Deposits. If you are a new customer of your local utilities, you will generally have to pay deposits in connection with services such as electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary depending upon the policies of the local utilities. You should contact your local utilities for more information.

[4] Leasehold Improvements. If you rent space, you may need or choose to make minimal renovations. The cost of leasehold improvements will vary based upon size, condition and location of the premises, local wage rates and material costs. The amounts you pay for leasehold improvements are typically not refundable.

[5] Insurance. You must purchase the type and amount of insurance specified in Section 15 of the Franchise Agreement in addition to any other insurance that may be required by applicable law, any lender or lessor. Factors that may affect your cost of insurance include the location of the Franchise Business, value of the leasehold improvements, number of employees and other factors. The amounts you pay for insurance are typically not refundable.

[6] Office Equipment and Supplies. You must purchase general office supplies including printers, stationery, business cards and other typical office equipment. We do not know if the amounts you pay for office equipment and supplies are refundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors.

[7] Training. The cost of initial training is included in the Franchise Fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The initial training program is available to the Designated Manager and one office assistant. Up to two additional field or office assistants will be allowed to attend the initial training program with our prior consent. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. Your expenses to attend are typically not refundable.

[8] Signage. This range includes the cost of all signage used in the Franchise Business. The signage requirements and costs will vary based upon the location of the Franchise Business, local zoning requirements and local wage rates for installation, among other things. The amounts you pay for signage are typically not refundable.

[9] Furniture, Fixtures & Equipment. You will be required to purchase and/or lease and install furniture, fixtures and equipment such as desks, chairs, lamps, filing cabinets and other basic office items necessary to operate your Franchise Business. The cost of the furniture, fixtures and equipment will vary according to local market conditions, suppliers and other related factors. We do not know if the amounts you pay for furniture, fixtures or equipment may be refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing or leasing.

[10] Computer Equipment. You will be required to have one computer workstation with Microsoft Office Suite and QuickBooks and other software as outlined in the Operations Manual. These will need to be purchased if you don't have them already. The amounts you pay for computer equipment are typically not refundable.

[11] Software Systems. You will be required to use the ServiceBridge business and customer manager software or an equivalent software approved by us. You will be required to pay a monthly fee) for the use of the manger software system. The amounts you pay for the ServiceBridge system are typically not refundable. The current ServiceBridge fee is $35 per month for each access license, plus a $35 per month for the connectivity to QuickBooks Online (QBO). The cost is estimated based upon the initial staffing model of three (3) employees, and one (1) owner; Also, you will be required to use Qvinci ($15 per month); Naranga ($25 per month), QBO, and other software systems as described in the operations manual.

[12] Phone System. You will be required to purchase a cell phone and a dedicated phone line to a commercial office. The number must be one with an area code and prefix that is local to the Area of Primary Responsibility. The amount you pay for a phone system are typically not refundable.

[13] Vehicle. You may be required to lease or purchase a utility vehicle, van or truck for use in the operation of the Franchise Business. The high estimate represents lease costs, which may vary based on such factors as the location of the Franchise Business, competition among local dealers and the time of year. The low estimate assumes you already have an acceptable utility vehicle, van or truck for use in the operation of the Franchise Business. These expenses are typically not refundable.

[14] Brand Identity Package. You must spend a minimum of $ $5,000 prior to beginning operation of the Franchise Business on brand identity items to promote the services offered by the Glass Guru Business. You may choose to spend more. Factors that may affect the actual amount you spend include the facility size, the size of the area you advertise to, location of the Franchise Business, time of year and customer demographics in the surrounding area. The amounts you spend for the Brand Identity Package are typically not refundable.

[15] Licenses & Permits. Local government agencies typically charge fees for such things as contractors' licenses, business and other operating licenses. Your actual costs may vary from the estimates based on the requirements of local government agencies. These fees are typically not refundable.

[16] Legal & Accounting. We strongly suggest that you employ an attorney, an accountant and/or other consultants to assist you in establishing your Franchise Business. These fees may vary from location to location depending upon the prevailing rates of local attorneys, accountants and consultants. These fees are typically not refundable. Regardless of long-term retention of professionals, in conjunction with entering into the Franchise Agreement through the first three (3) full months of operation, you will be required to retain the services of Trinity Business Solutions, an independent, third-party bookkeeping firm to facilitate your business accounting. The Trinity Business Solutions fee for this service is $1500.

[17] Additional Funds/Working Capital. We recommend that you have a minimum amount of money available to cover operating expenses, including employees' salaries, for the first 3 months that the Franchise Business is open. However, we cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically not refundable.

[18] Total. In compiling this chart, we relied on our and our Affiliate's combined industry experience in operating a The Glass Guru Business since 2004. The amounts shown are estimates only and may vary for many reasons including the capabilities of your management team, where you locate your Franchise Business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the Franchise Business.

The initial investment described in this Item relates to the development of a new franchise. If you are renewing your existing franchise for the next Term, you will not pay a renewal fee, and you will not incur most of the expenses referenced in this Item. However, you may be responsible for upgrading your franchise and any related expenses. If you are acquiring an existing franchise by transfer, in addition to the price you negotiate for the purchase of the franchise, you will be responsible for the transfer fee and you may be responsible for upgrading the franchise and any related expenses.

## ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as indicated below, you are not required to purchase or lease products or services from us or from suppliers approved by us or under our specifications.

Approved Suppliers/Standards and Specifications

All products, supplies, signs, equipment, components, insurance and other products or materials for use or sale in your Franchise Business must meet our specifications and quality standards and, if required by us, must be purchased only from an Approved Supplier, which may be us. Currently, we are the Approved Supplier for The Glass Guru Restoration Tools. Certain of the items in The Glass Guru Restoration Tools are proprietary equipment and supplies that you can only purchase from us. Currently proprietary equipment and supplies include micro vents, tip adapters for moisture removal, and the Glasstastic® product line. We will provide, in the Manual or by other written or electronic form,

a list of The Glass Guru Restoration Tools as well as additional items you will need to purchase for resale or to operate your Franchise Business and, if required, a list of Approved Suppliers for some or all of these items, and from time to time we may revise this list. Our specifications may include minimum standards for performance, design, appearance and quality. We formulate and modify our specifications and standards for products and services based upon our and our Affiliate's industry knowledge and our operational experience in operating The Glass Guru Business since 2004. Neither the Franchisor, nor any officer of the Franchisor, owns any interest in any Approved Supplier (except for us).

If you would like to use any item, service or supplier in establishing or operating the Franchise Business that we have not approved (for items or services that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the item, service or supplier complies with our standards and specifications or the supplier meets our Approved Supplier criteria. We will decide within a reasonable time (usually, 30 days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. We apply the following and other general criteria in approving a proposed supplier: the ability to provide sufficient quantity of product; quality of products and/or services at competitive prices; production and delivery capability; and dependability and general reputation of the supplier.

Periodically, we may review our approval of any item, service or supplier. We will notify you if we revoke our approval of an item, service or supplier, and you must immediately stop purchasing disapproved items or services, or must immediately stop purchasing from a disapproved supplier.

The Glass Guru Restoration Tools

We and our Affiliate have designed, developed and/or acquired and continue to design and develop certain window restoration tools and equipment and other items specially suited for use in the operation of The Glass Guru Business ("The Glass Guru Restoration Tools"). In order to maintain the consistency, quality and uniformity of the System, we will make The Glass Guru Restoration Tools available to you in reasonable quantities in accordance with the procedures for ordering, handling and shipping that we may determine periodically, provided that you are in compliance with the Franchise Agreement and all other agreements with us. We will provide The Glass Guru Restoration Tools supplied by us at competitive prices; however, you acknowledge that we have the right to earn a reasonable profit on the sale of The Glass Guru Restoration Tools. We will derive revenue from the sale of The Glass Guru Restoration Tools to our franchisees.

During the fiscal year ended December 31, 2018, we had revenue of $86,497 or 03.53% of our total revenue of $2,445,772 from required purchases of The Glass Guru Restoration Tools by franchisees. We currently do not derive revenue from any other required purchases by franchisees.

Computer/Point of Sale System

You are required to purchase and use the computer and point of sale system described in ITEM 11 of this Disclosure Document.

Insurance

You must purchase and maintain in effect during the term of the Franchise Agreement the type and amount of insurance specified in Section 15 of the Franchise Agreement in addition to any other insurance that may be required by applicable law, any lender or lessor. Your insurance policies must name us as an additional insured and/or loss payee.

Miscellaneous

We may negotiate purchase agreements, including group rates and price terms with suppliers, for purchases of equipment and supplies necessary for the operation of the Franchise Business. Presently, there are no such purchase or supply agreements in effect and no purchasing or distribution cooperatives that you must join. During our most recent fiscal year, we did not receive any rebates from suppliers due to franchisee purchases. However, in the future we may receive volume rebates, discounts or other benefits from suppliers.

We estimate that approximately 5% to 15% of your expenditures for purchases in establishing your Franchise Business will be for goods and services that must be purchased either from us or an Approved Supplier, in accordance with our standards and specifications. We estimate that approximately 30% to 40% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us or an Approved Supplier in accordance with our standards and specifications.

We do not provide material benefits to you (such as renewal rights or the right to open additional The Glass Guru Business) based on whether you purchase through the sources we designate or approve; however, purchases of unapproved products or purchases from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

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## ITEM 9. FRANCHISEE'S OBLIGATIONS

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

| | Obligation | Section in the Franchise Agreement | *Disclosure Document Item* |
|---|---|---|---|
| a. | Site selection and acquisition/lease | Section 5 | *ITEMS 11 and 12* |
| b. | Pre-opening purchases/leases | Sections 5, 12 and 15 | *ITEMS 7 and 8* |
| c | Site development and other pre-opening requirements | Sections 5 and 8 | *ITEMS 7, 8 and 11* |
| d. | Initial and ongoing training | Section 8 | *ITEMS 6, 7 and 11* |
| e | Opening | Sections 5 and 8 | *ITEM 11* |
| f. | Fees | Sections 5, 8, 10, 11, 13, 15, 18, and 21 | *ITEMS 5, 6 and 7* |
| g | Compliance with standards and policies/Operating Manual | Sections 6, 7, 9, 10, and 13 | *ITEMS 8 and 16* |
| h. | Trademarks and proprietary information | Sections 6, 7, and 9 | *ITEMS 13 and 14* |
| i. | Restrictions on products/services offered | Sections 5, 6, and 13 | *ITEMS 8 and 16* |
| j. | Warranty and customer service requirements | Section 13 | *ITEM 16* |
| k. | Territorial development and sales quotas | None | *ITEM 12* |
| l. | Ongoing product/service purchases | Section 13 | *ITEMS 8 and 11* |
| m | Maintenance, appearance and remodeling requirements | Sections 5, 10, and 13 | *ITEM 6* |
| n | Insurance | Section 15 | *ITEMS 6, 7 and 8* |
| o. | Advertising | Section 11 | *ITEMS 6 and 11* |
| p. | Indemnification | Section 21 | *ITEM 6* |
| q | Owner's participation/management/ staffing | Section 13 | *ITEM 15* |
| r | Records and reports | Section 12 | *ITEM 11* |
| s | Inspections and audits | Sections 6 and 12 | *ITEMS 6, 11 and 13* |

| | Obligation | Section in the Franchise Agreement | *Disclosure Document Item* |
|---|---|---|---|
| t | Transfer | Section 18 and Exhibit 1 and 5 | *ITEM 17* |
| u. | Renewal | Section 4 and Exhibit 1 and 5 | *ITEM 17* |
| v. | Post-termination obligations | Section 17 and Exhibit 2 and 5 | *ITEM 17* |
| w. | Non-competition covenants | Sections 7 and 17 and Exhibit 2 and 5 | *ITEM 17* |
| x. | Dispute resolution | Section 23 and Exhibit 5 | *ITEM 17* |
| y. | Other | Not applicable | *Not applicable* |

## ITEM 10. FINANCING

We do not guarantee your lease or other obligations.

If you meet Franchisor's credit standards, we may finance a portion of the initial franchise fee. The portion financed must not exceed 30% of the total initial franchise fee. The availability of this installment payment option will be subject to the sole discretion of the Franchisor. If Franchisor offers financing it will be over a maximum term of 60 months at an APR of 6% - 9%, based on Franchisee credit score, in a loan (the "Loan") using a standard form promissory note (the "Note") and security agreement (the "Security Agreement") , copies of which are attached to the Franchise Disclosure Document and marked as ***Exhibit "I"***. The Note may be prepaid without penalty during the 60-month term. Security for the Note will be any and all assets of franchisee's business and must be personally guaranteed by you and your spouse or all shareholders of your corporation. If you do not pay on time, we can call the loan and demand immediate payment of the full outstanding balance of the loan and obtain court costs and attorney's fees if a collection action is necessary.

We also have the right to terminate your franchise if you do not make your payments on time more than three times during the term of the Note. (see Promissory Note Agreement, section 16.2.2.1). We may assign the Note to a third party lender who may be immune under the law to any defenses to payment you may have against Us. (see Promissory Note).

Any financing undertaken by the Franchisor will comply with the required state law.

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## SUMMARY OF FINANCING

| Item Financed | Amount Financed | Down | Term | APR | Monthly | Prepay | Security | Liability | Loss of Rights on Default |
|---|---|---|---|---|---|---|---|---|---|
| Initial Fee | 30% or less | 70% or more | 5 | 6% Credit Score >700 | $101.50 to $376 99 depending on amount financed | None | Assets & Personal Guarantee | Loss of Franchise and payment of loan balance | Collection of your accounts receivable. You must pay collection costs and attorneys' fees |
| Initial Fee | 30% or less | 70% or more | 5 | 7% Credit Score 650-699 | $103.96 to $386 12 depending on amount financed | None | Assets & Personal Guarantee | Loss of Franchise and payment of loan balance | Collection of your accounts receivable. You must pay collection costs and attorneys' fees |
| Initial Fee | 30% or less | 70% or more | 5 | 8% Credit Score 600-649 | $106.45 to $395 39 depending on amount financed | None | Assets & Personal Guarantee | Loss of Franchise and payment of loan balance | Collection of your accounts receivable. You must pay collection costs and attorneys' fees |
| Initial Fee | 30% or less | 70% or more | 5 | 9% Credit Score <600 | $109.98 to $404.79 depending on amount financed | None | Assets & Personal Guarantee | Loss of Franchise and payment of loan balance | Collection of your accounts receivable You must pay collection costs and attorneys' fees |

## SUPPLEMENTAL INFORMATION FOR FINANCING

1. The financing provided by Franchisor includes only the Initial Franchise Fee as described in this Item 10. We do not provide financing or guarantee your lease or any other obligations.

2. We currently do not plan to assign the Notes to third party lenders.

3. We plan to offer installment payment terms for up to 30% of the Initial Franchise Fee, which in view of the stated maximum amount of Initial Franchise Fee is not likely to exceed $15,750.

4. APR. We will offer fixed rate financing at 6% - 9% annual percentage rate or "APR" at a time when the prime lending rate is approximately 4.50% APR as of the date of this document. Franchisor reserves the right to adjust the interest rate in the event the prime lending rate increases.

5. The term for repayment of the Note will not exceed sixty (60) months and payment must be made monthly unless otherwise agreed.

6. The security interest for the Note will be in the assets of the franchise business, the franchise agreement, and the personal guarantees of the franchisees. The security interest may not be in the personal residence and the Note and the related security agreement must comply with the 'California Finance Lenders Law'.

7. There will be no pre-payment penalty in connection with the Note.

8. Upon default the franchisee will be liable for the balance due on the Note, court costs and attorney's fees and other costs of collection, loss of franchise rights and all assets of the Franchise.

9. Among other things, the Note and Security Agreement permit the Franchisor to exercise all rights and remedies permitted under the Uniform Commercial Code, including without limitation, collection of payments due to you from your customers, recovery of legal costs and expenses including attorneys' fees. If we exercise the right to assign the Loan You may also lose your right to assert certain defenses against Our assignee. You should read all applicable documents carefully and consult your own legal counsel for a detailed explanation of your rights and your obligations.

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

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

1. Before you open your Franchise Business, we will:

   A. designate the Area of Primary Responsibility within which you will operate the Franchise Business. (Section 2.3 and Section B of Exhibit 1) Additionally,

      (1) The Franchisor does not own or will not lease any real property to you.

      (2) You and Franchisor will agree on your Area of Primary Responsibility before you sign the Franchise Agreement. You must run your Franchise Business from an office located inside of your Area of Primary Responsibility unless otherwise approved by us. (see Section 5 of the Franchise Agreement for a detailed discussion of various requirements for establishing a Franchise Business).

      (3) You must select an approved location for the Franchise Business within 60 days of

signing the franchise agreement. If you do not select a site within 60 days, We may terminate the Franchise Agreement. (Sections 5.1 and 5.2)

(4) The main factors the franchisor considers in approving sites is suitability for a glass shop, size, cost and visibility.

B. furnish you with an initial partial inventory of The Glass Guru Restoration Tools upon receipt of payment. Further information about The Glass Guru Restoration Tools we supply to you and other franchisees is included in ITEMS 5, 7 and 8 of this Disclosure Document. (Sections 5.4.1.3, 13.2)

C. provide you with our criteria for a vehicle and other equipment necessary for the operation of the Franchise Business. (Sections 5.1 and 5.4)

D. provide an initial training program for your Designated Manager, one office assistant and up to 2 additional field or office assistants with our prior written approval. This training is described in detail later in this ITEM. (Section 8.1)

E. provide to you the option, at your expense, training and guidance to assist you with the opening of the Franchise Business. (Section 8.3)

F. provide to you, on loan, within 15 days of signing the Franchise Agreement, one copy of The Glass Guru Operations Manual or access to an electronic copy of the Manual. The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. (Section 9.3)

2. After the opening of the Franchise Business, we will:

A. periodically, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods; however, you will use your own judgment to make all business decisions and should not rely solely upon any advice given or statements made by us. Our guidance is based on our and our franchisees' experience in operating The Glass Guru Business. Such advice and guidance may consist of knowledge and experience relating to the authorized services or products, as well as operational methods, accounting procedures, and marketing and sales strategies. (Section 14.1)

B. at our discretion, make periodic visits to the Franchise Business to give you assistance with or guidance on various aspects of the operation and management of a The Glass Guru Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchise Business and detail any deficiencies that become evident as a result of any such visit. If we prepare a report, you may request a copy from us. (Section 14.2)

C. make available to you operations assistance and ongoing training and hold Annual Conventions for franchisees as we deem necessary. (Sections 8.1, 8.6 and 8.7)

D. provide training to your employees who do not attend and successfully complete the initial training program in accordance with Section 8.1. (Section 8.2)

E. make available to you changes and additions to the System as generally made available to all franchisees. (Section 14.3)

F. provide advertising and promotional templates including ad-slicks, brochures, fliers and other materials for your use. (Section 14.4)

G. approve forms of advertising materials you will use for Local Advertising, Brand Identity Package Advertising and Cooperative Advertising. (Sections 11.1, 11.2, 11.4)

H. provide you with modifications to the Manual and other handouts as they are made available to franchisees. (Section9.4)

3. Advertising and Promotion

A. During the first 3 months of operation of the Franchise Business, you must spend at least $5,000 on advertising, promotions and public relations in the local area surrounding the Franchise Business. You will pay for your ads and promotions directly, but we will provide you with general marketing guidelines and templates and we will review and approve your advertisements. (Section 11.1)

B. Each month, you must spend the greater of 5% of the prior year's Gross Sales divided by the months of operation in the prior year, or minimum monthly local advertising expenditure of $1,250 (Section 11.2).

C. A minimum of ten (10%) percent of the minimum local advertising expenditure is required to be used for a third-party, professionally managed "pay-per-click" internet-based campaign. You will pay for your ads and promotions directly, but we will provide you with general marketing guidelines and templates and we will review and approve your advertisements. (Section 11.2)

D. You are required to pay a Marketing Fee on a monthly basis equal to three percent (3%) of the corresponding monthly Gross Sales on the first $500,000, two percent (2%) from $500, 001 to $1,000,000 and one percent (1%) on Gross Sales over $1,000,000 in a calendar year. Marketing Fee Contributions must be made at the same time and in the same manner as Royalty Fees. (Section 3.4)

E. All advertising and marketing expenses must be recorded in the required QuickBooks accounting software, and such expense reports made available to franchisor upon request. Unless authorized in advance by franchisor in writing, in the event that you don't spend the amount required on monthly local advertising in any given month, you will be required to pay franchisor the difference between what was required versus what was actually spent. Franchisor agrees to utilize these funds for general marketing purposes. Payment

will be collected with along with Royalties and Marketing Fees in the next royalty period.

F. Some franchisees have older forms of agreement requiring such franchisees to contribute to our Marketing Fund. While you are NOT required to contribute to the Marketing Fund, one (1%) percent of your Marketing Fee will be allocated to the Marketing Fund until no older forms of agreement require contribution to the Marketing Fund.

G. We will administer the Marketing Fund and all Marketing Fees as follows:

(1) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, signs or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Marketing Fund or Marketing Fees. Currently the media coverage of the Marketing Fund is national in scope.

(2) We currently use a portion of the Marketing Fund and Marketing Fee to pay for services associated with our branded website and Internet marketing. These services include website design and development, licensing and hosting, as well as online directory management and other search engine optimization (SEO) efforts. They are also used to pay costs associated with paid search management, which does not include direct local paid advertising fees. We may also use the Marketing Fund and Marketing Fee to pay for other similar services, like customer retargeting, online display advertising, and online customer review management both on our website as well as on independent review websites.

(3) As part of our advertising program, we, at our sole discretion, may provide an ad design process for franchisees to request the development of marketing materials using pre-approved images and messaging that follows our brand standards. We produce television spots in conjunction with outside advertising agencies, which are available for franchisee use. Radio scripts and social videos are also available for franchisee use. You may choose a third-party vendor to assist you in producing radio spots and social video; however, all scripts and story boards must be approved by our Marketing Department before production and you must follow our Marketing Department's guidelines and our policies.

(4) We will maintain your contributions in a separate account from our funds and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Marketing Fund and Marketing Fee. We will not use Marketing Fund or Marketing Fee contributions for the direct solicitation of franchise sales.

(5) We expect to use all contributions in the fiscal year they are made. We will use any interest or other earnings of the Marketing Fund before we use current contributions.

We intend for the Marketing Fund to terminate in 2021, but we have the right to terminate it sooner if necessary. We will not terminate the Marketing Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our franchisees on a *pro rata* basis.

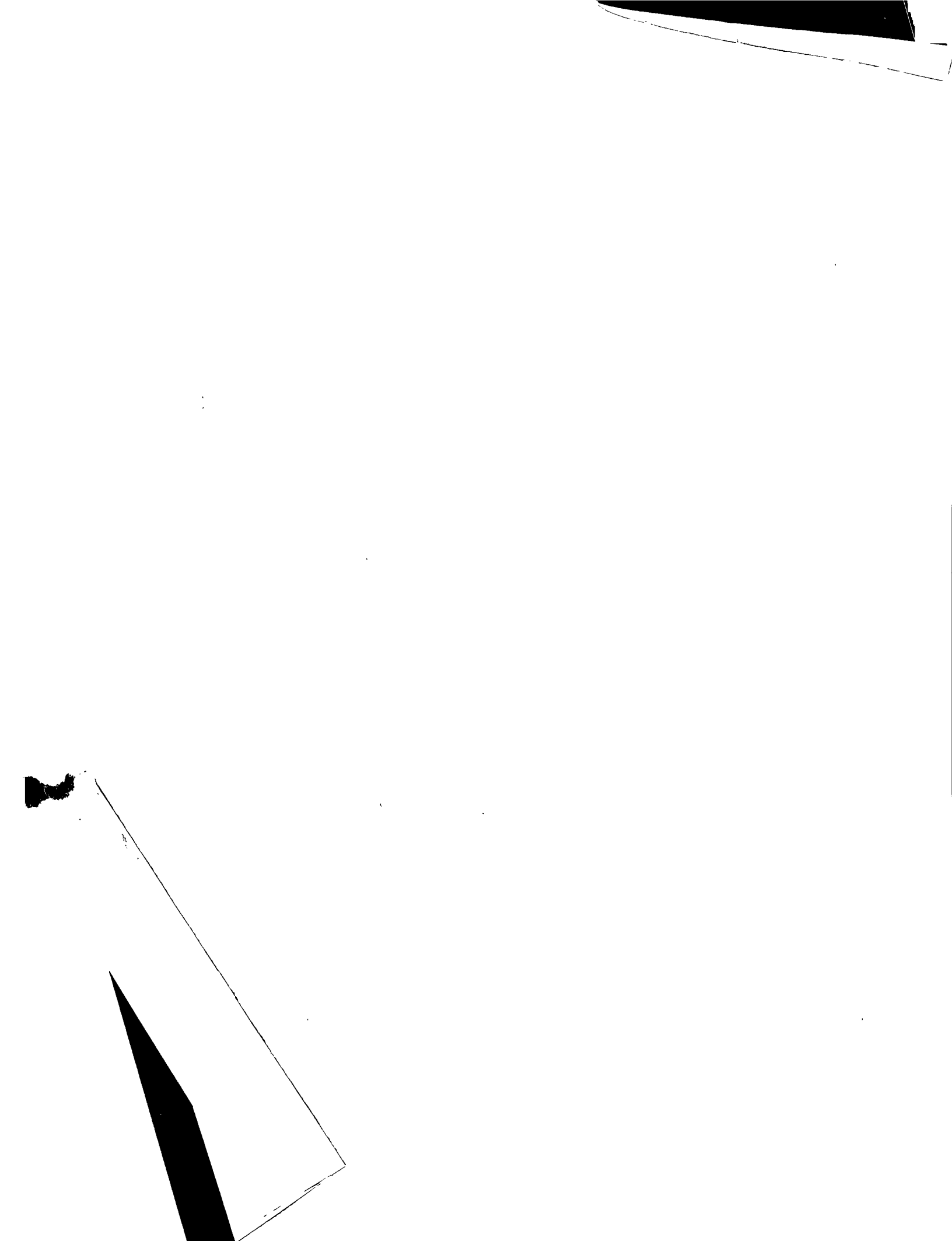
(6) We will have an accounting of the Marketing Fund prepared each year and we will provide you with a copy if you request it. We may require that the annual accounting be reviewed or audited and reported on by an independent certified public accountant at the expense of the Marketing Fund.

(7) The Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund.

In the fiscal year ended December 31, 2018, the advertising contributions collected by the Marketing Fund were spent as follows: 67% on website design and maintenance and search engine optimization, 29% on media placement (internet) and 4% on other expenses (i.e., portal fees). In 2018, we received compensation out of advertising contributions collected for creative, management and administrative services provided to the advertising program.

H. Although we are not obligated to do so, and do not presently require a local or regional advertising cooperative, we may create a Cooperative Advertising program for the benefit of all The Glass Guru Business located within a particular region. We reserve the right to collect and/or designate that all or a portion of the Local Advertising requirement of 5% of Gross Sales be paid into a Cooperative Advertising program. We will determine and define the geographic territory and market areas for each Cooperative Advertising program based on advertising coverage areas. You must participate in any Cooperative Advertising program established in your region. If a Cooperative Advertising program is implemented in a particular region, we may require that the franchisees in the region self-administer the program and operate under written governing documents which are approved by us and available for review by franchisees. Cooperatives must prepare annual financial statement that will be available for review by the participating franchisees. Company-owned or affiliate-owned units may, but are not obligated to, participate in any Cooperative Advertising program. If they elect to participate, they will pay the same percentage of G Sales as is contributed by the participating franchisees. If we establish a Cooperative Advertising program or programs, there are no limits on our right to change, dissolve merge the Cooperative Advertising program(s) at any time. (Section 11.4)

I. Under the Franchise Agreement, you are restricted from establishing a presence on, or marketing using, the Internet in connection with the Franchise Business without o written consent. We have established and maintain an Internet website at the ur resource locator **www.theglassguru.com** that provides information about the S about The Glass Guru Business. We may (but we are not required to) include a Guru website an interior page containing information about your Franchise Bu dedicated website for your Franchise Business. If we include such informatio



Guru website, or your Franchise Business website, we have the right to require you to prepare all or a portion of the page(s), at your expense, using a template that we provide. All such information is subject to our approval prior to posting. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locator's, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, The Glass Guru website. (Section 11.5)

4. Computer/Point-of Sale System

We have the right, under the Franchise Agreement, to require you to purchase and use, maintain, (and replace or upgrade as necessary) the computer hardware and software programs and point of sale equipment that we designate. (Section 12.5) Presently, we require you to have at least one computer workstation loaded with Microsoft Office Suite and QuickBooks accounting software and ServiceBridge business and customer manager software or an equivalent software approved by us. Through our ServiceBridge customer manager software system, your customer information will be reviewed by us on a monthly basis. You are required to enter customer contact information - full name, address, phone number, and e-mail address (whenever available) with-in forty-eight (48) hours of initial customer contact Failure to enter customer information with-in forty-eight (48) hours of initial customer contact will result first in a written warning. Each subsequent monthly written notice of failure to comply will also result in a $75 fine to be paid to us-. Should you fail to enter customer information one or more times during a calendar month, in three (3) or more calendar months during a calendar year, you may be required to obtain, and present to us, on or before on or before 90 days post year-end, year-end audited financial statements, prepared by and independent accounting firm, at your expense. We do not currently sell or lease equipment or software. You may use currently owned equipment and software provided it is suitable for the requirements described in this section. We do not offer a minimum or maximum estimate of cost to purchase or lease the required equipment or software. However, if you have no computer equipment or software, you may be required to invest approximately $2,750 for used equipment and software up to $8,500 for new equipment and software and those estimates will vary depending on geography, computer experience, and other factors. You should consult an independent technical advisor of your choosing for a complete and accurate assessment of your needs and your costs.

You are not required to enter into any ongoing maintenance or support agreements, but you may find it advantageous to do so. At your own expense, you must update or upgrade computer hardware and software as we deem necessary but not more than one time per year. (Section 10.2) The annual cost for maintenance, updates, upgrades and support is estimated to be $1,500.

We have the right to independently access all information you collect or compile at any time without first notifying you. (Section 12.6)

5. E-Problem Disclaimer

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures and similar problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we designate and/or we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection and anti-virus systems) and to provide backup data and systems.

6. Methods Used to Select the Location of the Franchise Business

You must run your Franchise Business from an office located inside of your Area of Primary Responsibility unless otherwise approved by us. (Section 5.1) You and we will agree on your Area of Primary Responsibility before you sign the Franchise Agreement.

7. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of The Glass Guru Business is 60 days. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures. You are required to open your Franchise Business and be operational within 90 days after signing the Franchise Agreement.

8. Training

We will conduct an initial training program that the Designated Manager (which is you, if you are not a corporation or other business entity) must attend and complete to our satisfaction. Training is offered at various times during the year, depending on the number of new franchisees entering our franchise system. Although initial training is mandatory for the Designated Manager, it is also available for one office assistant and up to two additional field or office assistants with prior approval from us. Training will

take place at our headquarters or at another location we designate on an as needed basis as we may determine. The initial training program covers all material aspects of the operation of a The Glass Guru Business, including such topics as technical procedures, maintenance of quality standards; customer service techniques; sales and marketing methods; financial controls; record keeping and reporting procedures; other operational issues and on-the-job training. All franchisees must complete initial training to our satisfaction. We expect franchisees will advance through the training program at different rates depending on a variety of factors such as background and experience. Accordingly, the time frames provided in the following chart are an estimate of the time it will take to complete training. If you replace yourself with a new Designated Manager, your new Designated Manager must attend our training program. We do not charge for initial training, however, you must pay for all travel costs and living expenses for your Designated Manager and any other of your attendees that require training. You may be charged fees for additional training of a new Designated Manager or any additional staff that requires training. You are responsible for training your own employees and other management personnel, but any employee may come for additional training at headquarters upon request. You may be charged fees for additional training. Our standard fee is $250 per person per day. The initial training must be completed within 90 days of signing the Franchise Agreement.

**TRAINING PROGRAM**

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| Pre-Launch Checklist | 0 | 40 | Home |
| LMS Video Training | 10 | 0 | Home |
| Orientation, Products and Services | 4 | 4 | Roseville, CA |
| Restoration Demos and Glazing Basics in Shop | 4 | 1 | Roseville, CA |
| Restorations & Replacements in Field | 0 | 4 | Roseville, CA |
| Pricing, Estimating Training in Shop | 6 | 0 | Roseville, CA |
| Estimating in Field | 0 | 4 | Roseville, CA |
| Customer Service in Office | 0 | 4 | Roseville, CA |
| Admin Training - QuickBooks and Accounting | 2 | 0 | Roseville, CA |
| Supplies, Vendors and Goal Setting | 3 | 0 | Roseville, CA |
| Marketing | 2 | 0 | Roseville, CA |
| Quick Start | 1 | 0 | Roseville, CA |
| Tool Kit and Supply List Review | 1 | 0 | Roseville, CA |
| | 33 | 57 | |

The instructional materials used in the initial training program include the Manuals, LMS courses, guides forms and QuickBooks manuals.

Franchisor and staff from the Affiliate will provide training. Their qualifications are described below.

**President/CEO | Daniel Frey**

Mr. Frey, has served as our President/CEO since 2007. In addition, Dan is also Co-Founder and Director and President/CEO of our Affiliate, The Glass Guru of Roseville, CA since September 2004. Mr. Frey has 14 years of combined experience with our Affiliate and/or the Franchisor.

**COO/CFO | Glen Greenfelder**

Glen was hired as Director of Franchise Sales in August 2010, and was promoted to VP of Corporate Development, and appointed as a Director, in January 2011. In 2013, Glen was elected as the Company's CFO, as well as Chief Operating Officer in 2018. Mr. Greenfelder has 8 years of experience with the Franchisor, and 28 years of combined financial and securities industry experience.

**CDO | Dave Hull**

Dave was hired as VP of Franchise Development and appointed a Director in January 2011. Dave was General Manager of our Affiliate, The Glass Guru of Roseville, CA from October 2009 - March 2011. Dave was elected at Chief Development Officer in 2018. Mr. Hull has 9 years of experience with our Affiliate and/or the Franchisor, and 26 years of combined glass and glazing industry/trade experience.

**Director of Operations | Sean Young**

Sean has served as Director of Corporate Development Since November 2015, and he made the shift to Director of Operations in 2018. Previously, he served as our Director of Franchise Operations from July 2012 - November 2015. Sean's prior experience includes Director of Customer Success with Palo Alto, CA based OnRevenue.com from May 2010 – July 2012. Mr. Young has 6 years of experience with the Franchisor, and 28 years of combined franchise industry/trade experience.

**Director of Franchisee Development | Rob Lopez**

Mr. Lopez has served as our Director of Franchise development since November 2015. Previously, Rob was the Owner/Operator of a ServiceMaster Clean franchise in Punta Gorda, FL from October 2007 – August 2014. Post selling his ServiceMaster Clean Franchise in August 2014, Mr. Lopez held no position of employment from September 2014 through October 2015. Mr. Lopez has 2+ years with Franchisor, and 11 years of combined franchise industry experience.

**Director of Marketing | Jesse James Bracamonte**

Jesse has served as our Director of Marketing since December of 2013. Previously, from September

2008 through September 2013, he was the founder/President of One Source Media Group, based in Elk-Grove, CA. Jesse has 4+ years of experience with the Franchisor and 10 years of combined marketing industry experience.

**Director of Franchisee Field Operations | Jason Rumble**

Mr. Rumble has served as our Field Training Manager since February 2017. From April 2011 through January 2017, Jason had served as General Manager of our Affiliate, The Glass Guru of Roseville, CA. Mr. Rumble has 7 years of experience with our Affiliate and/or the Franchisor, and 24 years of combined glass & glazing industry experience.

**Office Systems Training Manager | Jennifer Eggerts**

Prior to joining the Glass Guru in March 2018, Jennifer was the President of Ferez, Inc, a business development consulting firm since 2010. Ms. Eggerts has 1 year of experience with the Franchisor, and 18+ years of combined franchise industry experience.

If circumstances require, a substitute trainer with similar work history and experience for the subject being trained may provide training. We also reserve the right to name additional trainers periodically. There are no limits on our right to assign a substitute to provide training provided the substitute has similar work history and experience.

Periodically, we may require that previously trained and experienced franchisees, managers or employees attend refresher-training programs to be conducted at our headquarters or another location. We may charge a fee for these training programs, but travel and living costs for attending these programs will be at your sole expense. We will not require you to attend more than 2 of these programs in any calendar year and these programs will not collectively exceed 6 days during any calendar year. (Section 8.6 and Section 8.8)

We may hold an Annual Convention of franchisees, and if we do, you or your Designated Manager must attend the Annual Convention. We charge a registration fee for attending the convention. If you (or your designated manager) fail to attend the convention, you must still pay the registration fee. You are responsible for all travel costs, room and board and employees' salaries incurred by you and your Designated Manager in attending the convention. (Section 8.7)

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## ITEM 12. TERRITORY

If We have approved you as a Franchisee we will grant you a minimum Area of Primary Responsibility. The "Area of Primary Responsibility" is area surrounding the Franchise Business location and is defined using US zip codes. This area is considered the geographic market boundary for the Franchise Business. The population of an Area of Primary Responsibility for a Franchise Business will typically range from 200,000 to 750,000. Population should be determined by referencing the most recent figures available from the United States Census Bureau at the time the Area of Primary Responsibility is designated. **The Area of Primary Responsibility is defined in Section B of Exhibit 1 of the Agreement.**

You will not receive an exclusive service territory. You may face competition from other franchisees, from outlets that we may own in the future, or from other channels of distribution or competitive brands that we control.

The franchise granted under the Franchise Agreement is nonexclusive and we retain all rights and control with respect to the Marks and System, including the right, without any compensation from us, to: (a) establish or operate, and to grant others the right to establish or operate, The Glass Guru Business at any location; (b) establish or operate, and to grant others the right to establish or operate, other businesses offering the same or similar products or services or other trade names, trademarks and service marks; (c) sell or otherwise distribute products and services similar to those offered through the Franchise Business through any alternate channel of distribution, including through retail outlets at a fixed location by direct mail and Internet sales; and (d) engage in any activities not expressly forbidden by the Franchise Agreement.

Currently, we distribute the Glasstastic® line of cleaning products through our website. We are not required to compensate you for any orders accepted from inside your Area of Primary Responsibility.

You may use any approved channels of advertising to make sales, but you must restrict your direct solicitation of customers to the agreed upon Area of Primary Responsibility; provided, however, you have the right to provide services and sell products to immediate family located inside another The Glass Guru Franchisee's Area of Primary Responsibility. Except as part of Cooperative Advertising, you may not advertise in any media whose primary circulation or exposure is outside of the Area of Primary Responsibility without our approval.

You may not relocate the Franchise Business Office without our prior written consent. If the lease for the Approved Location expires or is terminated due to no fault of yours or if the Franchise Business Office's premises are destroyed, condemned or becomes otherwise unusable, we may allow you to relocate the Franchise Business Office. Any such relocation will be at your sole expense and must comply with the requirements listed in Sections 5.1 through 5.8 of the Franchise Agreement. We have the right to charge you for any costs we incur in providing you assistance, including legal and accounting fees, however, we have no obligation to provide relocation assistance. If a substitute site is not mutually agreed upon within 90 days after the lease expires or is terminated or the Approved Location becomes unusable, the Franchise Agreement will terminate as provided in Section 16.2.1.1 of the Franchise Agreement.

You maintain rights to your Area of Primary Responsibility with no price increase even if the population

increases over time. As long as you are in compliance with the Franchise Agreement and the Franchise Agreement is in effect, we will not modify or alter your Area of Primary Responsibility. Unless otherwise agreed in writing you do not acquire any additional options, rights of first refusal, or similar rights to acquire additional franchises wherever located.

The franchisor currently does not operate and has no plans to operate, or franchise any similar or related business under a different trademark.

## ITEM 13. TRADEMARKS

We grant our franchisees the right to operate The Glass Guru Business under the name "The Glass Guru," which is the principal Mark used to identify our System. You may also use any other current or future Mark to operate your Franchise Business that we designate in writing, including the logo on the front of this Disclosure Document and the trademark listed below. By "Mark," we mean any trade name, trademark, service mark or logo used to identify The Glass Guru Business. As of December 11, 2018, and June 2, 2009 respectively, the following Mark(s) has been registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO").

| Mark | Serial Number | Registration Date |
|---|---|---|
| THE GLASS GURU | 5628020 | December 11, 2018 |
| GLASSTASTIC | 3632441 | June 2, 2009 |

We intend to file all required affidavits to maintain and renew the registration when due.

We know of no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

Other than the above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchise Business. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over any settlement

or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We will reimburse you for all expenses reasonably incurred by you in any trademark or similar proceeding disputing your authorized use of any Mark, provided that you have timely notified us of the proceeding and have complied with the Franchise Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark. This indemnification does not include your expenses in removing signage or discontinuance of the use of the Marks, does not apply to litigation between us and you wherein your use of the Marks is disputed or challenged by us, and does not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from legal counsel representing our and your use of the Marks.

We can require you to modify or discontinue the use of any Mark and to use other trademarks or service marks. If we adopt and use new or modified Marks, you may be required to add or replace equipment, signs and fixtures, and you may have to make other modifications as necessary to maintain uniformity with our current standards and specifications; however, you will not be required to spend an amount unreasonably disproportionate to your original investment during the initial term of the Franchise Agreement. We will not be required to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. Our reimbursement does not include your expenses for removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes where we challenge your use of a Mark. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

You must use the Marks as the sole trade identification of the Franchise Business, but you may not use any Mark or part of any Mark as part of your corporate or other business entity name in any modified form unless authorized. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law.

You must notify us if you apply for your own trademark or service mark registrations that does not include or is not similar to our Marks. You cannot operate the Franchise Business under any other marks you may register. The Franchise Business can only be operated under the Marks. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, (i) any of our Marks or a trademark or service mark that is confusingly similar to any of our Marks, and (ii) any trademark or service mark for the door and window industry.

You may not establish, create or operate an Internet site or website using any domain name containing the word "THE GLASS GURU" or any variation of those words without our prior written consent. You may not advertise on the Internet without our consent.

## ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

As of the date of this Disclosure Document, we do not hold any applicable patents, nor do we have any patents pending. We own copyrights in the Manual, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchise Business and you must stop using them if we direct you to do so.

We know of no currently effective determinations of the U.S. Copyright Office or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Franchisee must immediately notify Franchisor of any apparent infringement of, or challenge to your use of, any Copyrighted materials, or any claim by any person of any rights applying to Copyrighted materials. You may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over any settlement or proceedings concerning Copyrighted materials. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Copyrighted materials.

We will reimburse you for all expenses reasonably incurred by you in any proceeding disputing your authorized use of Copyrighted materials if you have timely notified us of the proceeding and have complied with the Franchise Agreement and our directions in responding to such proceeding. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Copyrighted materials. This indemnification does not include your expenses in removing signage or discontinuance of the use of the Copyrighted materials, does not apply to litigation between us and you wherein your use of the Copyrighted materials is disputed or challenged by us, and does not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from legal counsel representing our and your use of the Copyrighted materials.

We have developed certain Trade Secrets and other Confidential Information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experie operating a The Glass Guru Business. We will provide our Trade Secrets and other Confidential Information to you during training, in the Manual and as a result of the assistance we furnish you the term of the franchise. You may only use the Trade Secrets and other Confidential Informatio purpose of operating your Franchise Business. You may only divulge Trade Secrets and other C Information to employees who must have access to it in order to perform their job duties with Franchise Business. You are responsible for enforcing the confidentiality provisions as to your

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Certain individuals with access to Trade Secrets or other Confidential Information, including your owners (and members of their immediate families and households), officers, directors, executives, managers, members of your professional staff, all employees and other individuals having access to Trade Secrets or other Confidential Information are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary of these agreements and we have the independent right to enforce their restrictive covenants.

All ideas, concepts, techniques or materials concerning the Franchise Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, Trade Secrets or other Confidential Information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17 of this Disclosure Document.

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

The Franchise Business must always be under the direct full-time supervision of a Designated Manager who may be the Franchisee, or an individual you select. The Designated Manager must attend and satisfactorily complete our initial training program before opening the Franchise Business. You must keep us informed of the identity of your current Designated Manager. If you replace your Designated Manager, he or she must attend the initial training program within 60 days. If you are a corporation or other business entity, the Designated Manager need not be one of your owners.

As described in ITEM 14, your owners (and members of their immediate families, which means spouse/domestic partner; and members of the household that are 18 years old or older), officers, directors, executives, managers, members of your professional staff, all employees and other individuals having access to Trade Secrets or other Confidential Information are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce the agreements.

If you are a business entity, anyone who owns a 10% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations attached to the Franchise Agreement.

## ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchise Business in strict conformity with the methods, standards and specifications in the Manual and as we may require otherwise in writing. You may not deviate from these standards, specifications and procedures without our written consent.

You must offer the services and products we specify in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may, in our sole discretion, disapprove in writing at any time.

Furthermore, you must not directly market to or solicit customers in areas inside the Area of Primary Responsibility of another franchisee; provided, however, Franchisee has the right to provide services and sell products to immediate family located inside another franchisee's Area of Primary Responsibility. If we determine that you directly market to or solicit customers or provide Services in areas inside the Area of Primary Responsibility of another The Glass Guru franchisee, other than to immediate family, prior to obtaining the express written consent of Franchisor, you must pay the franchisee that has the right to the infringed Area of Primary Responsibility an amount equal to the total sums you received for the Services and Products, less the actual cost you paid for the Products sold and any third party hired labor costs. All sums must be paid within ten (10) days after receiving notice from Franchisor. A second violation could result in the termination of this Agreement.

We may change the types of authorized services and products that you may offer. There are no limits on our right to make these changes.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences. We will agree on the royalty and other fees applicable to these products and services in advance.

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

The Franchise Relationship

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

THE FRANCHISE RELATIONSHIP

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| a. Length of franchise term | Section 4 1 | The initial term is 5 years |
| b. Renewal or extension of the term | Section 4.2 | You may renew for 3 additional terms of 5 years each, subject to (c) below. If you fail to meet any one of these conditions, we may refuse to renew or extend the terms of your Franchise Agreement. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| c. Requirements for you to renew or extend | Section 4 2 | You may renew the Franchise Agreement if you: have substantially complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; sign a current Franchise Agreement which may contain materially different terms and conditions; comply with current qualifications and training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement. |
| d Termination by you | Section 16.1 | You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 30 days of receiving your written notice. |
| e. Termination by us without cause | Not Applicable | |
| f Termination by us with cause | Section 16.2 | We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| g. "Cause" defined-defaults that can be cured | Section 16 2 | If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| h. "Cause" defined-defaults that cannot be cured | Section 16.2 | We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site for or establish, equip and begin operations of the Franchised Business, fail to have your Designated Manager satisfactorily complete training; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; use the Manual, Trade Secrets or other Confidential Information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to Trade Secrets or other Confidential Information sign nondisclosure and non-competition agreements; abandon the Franchised Business for 5 or more consecutive days; surrender or transfer of control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager following the death or incapacity of one of your owners, are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 3 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate, violate any health, safety or other laws or conducts the Franchised Business in |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| | | a manner creating a health or safety hazard to customers, employees or the public; engage in any activity reserved to us; fail to comply with laws or regulations after notice of non-compliance; repeatedly breach the Franchise Agreement or repeatedly fail to comply with requirements, specifications, standards or procedures, or default under any other agreement between you and us (or our Affiliate) such that we (or our Affiliate) have the right to terminate the agreement. |
| i. Your obligations on termination/non-renewal | Section 17.1 | If the Franchise Agreement is terminated or not renewed, you must: stop operating the Franchised Business; stop using any Trade Secret or other Confidential Information, the System and the Marks; if the Franchised Business Office is not within Franchisee's principal residence and if |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| | | requested, assign your interest in the Approved Location to us, cancel or assign to us any assumed names; return any leased, loaned or other third-party equipment used in the operation of the Franchised Business, pay all sums owed to us (or our Affiliates) including damages and costs incurred in enforcing the Franchise Agreement; return the Manual, Trade Secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement. |
| j. Assignment of contract by us | Section 18.1 | There are no restrictions on our right to assign our interest in the Franchise Agreement. |
| k "Transfer" by you-definition | Section 18.2 | "Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the Franchised Business's assets or the franchisee entity. |
| l. Our approval of transfer by you | Section 18.2 | You may not transfer your interest in any of the items listed in (k) above without our prior written consent. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| m. Conditions for our approval of transfer | Section 18.2 | We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid, you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement, the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of $5,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us, the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement, and the transferee has agreed that its Designated Manager will complete the initial training program before assuming management of the Franchised Business. |
| n. Our right of first refusal to acquire your Franchised Business | Section 19 | We may match an offer for your Franchised Business or an ownership interest you propose to sell. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| o. Our option to purchase your Franchised Business | Section 17.4 | Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for fair market value. |
| p. Death or disability | Section 18.6 | After a death or incapacity of one of your owners, his or her representative must transfer, subject to the terms of the Franchise Agreement, the owner's interest in the Franchised Business within 180 days of death or incapacity or we may terminate the Franchise Agreement |
| q. Non-competition covenants during the term of the franchise | Exhibit 2 | You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from. attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| r. Non-competition covenants after the franchise is terminated or expires | Sections 17.2 | For 3 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from. owning or working for a Competitive Business operating within 50 miles of the Approved Location (or within the Area of Primary Responsibility, if greater), or within 50 miles of any other The Glass Guru Businesses; or soliciting or influencing any of our customers, employees or business associates to compete with, or terminate their relationship with us or any other The Glass Guru Business. |
| s. Modification of the agreement | Sections 9.2, 22.7, and 22.8 | The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights under the Franchise Agreement |
| t. Integration/merger clause | Section 22.7 | Only the terms of this Franchise Disclosure Document and the Franchise Agreement are binding. Unless described in this Disclosure Document Any other promises may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Section 23.7 | Except for claims relating to the Marks, Trade Secrets or other Confidential Information and covenants not to compete, and subject to state law, all disputes must be arbitrated in Sacramento County, California. |

| Provision | Section in the Franchise Agreement | Summary |
|---|---|---|
| v. Choice of forum | Section 23.2 | Subject to state law, any litigation must be pursued in courts located in Sacramento County, California. |
| w. Choice of law | Section 23 1 | Subject to state law, California law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) |

You should refer to any state-specific addenda attached to this Disclosure Document for exceptions to this ITEM 17.

## ITEM 18. PUBLIC FIGURES

We do not presently use any public figures 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.

As of December 31, 2018, The Franchisor had EIGHTY-TWO (82) The Glass Guru Franchise Businesses in the USA and Canada. Of these, SEVENTY-ONE (71) outlets were in business for 12 months or more, and which outlets also had 12 full months of reported gross revenues for calendar year 2018. Because the number of franchised outlets fluctuated during the year, we have not included any data for outlets that did not have 12 full months of reported Gross Sales data for 2018. Excluded locations include franchised outlets that started operations in 2018, or ceased operations in 2018, and did not have 12 full periods of reporting submitted to the Franchisor. These specific franchised outlets would likely have Gross Sales figures that differ from those depicted in this report.

For this Item 19, Gross Sales means the total gross revenues collected or received from whatever source (whether in the form of cash, credit, agreements to pay, barter, trade credits, good will or other consideration) that arise, directly or indirectly, from or in connection with the operation of your franchise, including but not limited to:

a. the sale of goods and/or services offered by or through the franchise;

b. the sale of goods and/or services by you or a third-party selling products and/or services on your behalf that are sold or that are required to be sold under the terms of the Franchise Agreement, no matter from what location or business the income is generated;

c. the proceeds from any business interruption insurance and/or damages or settlement amounts received to compensate you for lost revenue of the franchise; and

d. any revenue generated from commissions, rebates or affiliated programs.

All of the franchised outlets for which Gross Sales and Average Gross Sales are reported are operated by franchisees. Franchisor did not operate any of the businesses. All of the locations reflected in the report are comparable to Franchise Businesses offered in this disclosure document and offered substantially the same services to the public. No adjustments have been made to reflect geographic location or applicable exchange rate. In addition, all of the information in this report was derived from franchise reported data for a full FIFTY-TWO (52) week period covering the 2018 calendar year.

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## CHART 1

## AVERAGE GROSS SALES RANKING

The chart below reflects 2018 AVERAGE Gross Sales rankings. Data displayed also includes MEDIAN, HIGHEST, and LOWEST Gross Sales Values. These rankings are broken into five (5) groups; top 10%, top 25%, top 50%, bottom 10% and 100% of all Franchise Businesses in business for 12 months or more and which Franchise Businesses also had 12 full months of reported Gross Sales for calendar year 2018.

| Gross Sales Rankings for Franchise Businesses | # of Franchise Businesses in This Group | AVERAGE Gross Sales for All Franchise Businesses in This Group | MEDIAN Gross Sales for All Franchise Businesses in This Group | HIGHEST Gross Sales for All Franchise Businesses in This Group | LOWEST Gross Sales for All Franchise Businesses in This Group | # of Franchise Businesses IN THIS GROUP Meeting or Exceeding AVERAGE Gross Sales Number for THIS GROUP | % of Franchise Businesses IN THIS GROUP Meeting or Exceeding AVERAGE Gross Sales Number for THIS GROUP | # of ALL Franchise Businesses Meeting or Exceeding AVERAGE Gross Sales Number for THIS GROUP | % of ALL Franchise Businesses Meeting or Exceeding AVERAGE Gross Sales Number for THIS GROUP |
|---|---|---|---|---|---|---|---|---|---|
| **Top 10%** | 7 | $1,416,747 | $1,454,098 | $1,882,133 | $1,009,232 | 4 | 57.1% | 4 | 5 6% |
| **Top 25%** | 17 | $1,008,999 | $1,002,309 | $1,882,133 | $541,863 | 7 | 41.2% | 7 | 9.9% |
| **Top 50%** | 36 | $701,553 | $514,611 | $1,882,133 | $329,272 | 11 | 30.6% | 11 | 15.5% |
| **Bottom 10%** | 7 | $79,807 | $62,399 | $130,370 | $38,420 | 3 | 42.9% | 67 | 94 4% |
| **100%** | 71 | $451,104 | $329,272 | $1,882,133 | $38,420 | 24 | 33 8% | 24 | 33 8% |

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## CHART 2
## AVERAGE GROSS SALES BY YEARS IN OPERATION

The chart below reflects 2018 AVERAGE Gross Sales by number of years in operation. Data displayed also includes MEDIAN, HIGHEST, and LOWEST Gross Sales values by years in operation. 2018 Gross Sales are broken out for five (5) distinct groups of Franchise Businesses; as of December 31, 2018, Franchise Businesses open continuously for at least 12 months, 24 months, 36, months, 48 months, and 60 months or more and which Franchise Businesses also had 12 full months of reported Gross Sales for calendar year 2018.

| | Franchise Businesses Operating 12-Months or More as of Dec 31, 2018 | Franchise Businesses Operating 24-Months or More as of Dec 31, 2018 | Franchise Businesses Operating 36-Months or More as of Dec 31, 2018 | Franchise Businesses Operating 48-Months or More as of Dec 31, 2018 | Franchise Businesses Operating 60-Months or More as of Dec 31, 2018 |
|---|---|---|---|---|---|
| Total Franchise Businesses in This Group | 12 | 17 | 2 | 6 | 34 |
| AVERAGE Gross Sales for This Group | $310,498 | $291,733 | $343,525 | $378,741 | $599,513 |
| MEDIAN Gross Sales for This Group | $267,573 | $284,597 | $343,525 | $343,525 | $343,525 |
| HIGHEST Gross Sales for This Group | $504,077 | $719,495 | $496,805 | $1,009,232 | $1,882,133 |
| LOWEST Gross Sales for This Group | $158,118 | $38,420 | $190,244 | $117,236 | $40,502 |
| Number of Franchise Businesses in THIS GROUP Meeting or Exceeding AVERAGE Gross Sales for THIS GROUP | 6 | 8 | 1 | 2 | 12 |
| Percent of Franchise Businesses in THIS GROUP Meeting or Exceeding AVERAGE Gross Sales for THIS GROUP | 50% | 47% | 50% | 33% | 35% |

## CHART 3

## ANNUAL GROWTH RATE %

The chart below reflects the 2018 AVERAGE Annual Gross Sales Growth % rankings. Data displayed also includes MEDIAN, HIGHEST, and LOWEST Gross Sales growth %. These rankings are broken out into in five (5) groups; top 10%, top 25%, top 50%, bottom 10%, and 100% of all outlets in business for 24 months or more, and which Franchise Businesses also had 12 full months of reported Gross Sales for calendar year 2018 and 2017.

| 2017 vs. 2016 Growth Rate (%) Rankings | Number of Franchised Businesses in This Group | AVERAGE Annual Sales Growth (%) for Franchise Businesses in This Group | MEDIAN Annual Sales Growth (%) for Franchise Businesses in This Group | HIGHEST Annual Sales Growth (%) for Franchise Businesses in This Group | LOWEST Annual Sales Growth (%) for Franchise Businesses in This Group | Number of ALL Franchise Businesses Meeting or Exceeding This Level of Average Growth (%) |
|---|---|---|---|---|---|---|
| Top 10% | 5 | 62.06% | 55.75% | 80.96% | 47.72% | 2 |
| Top 25% | 12 | 44.31% | 40 65% | 80.96% | 23.47% | 5 |
| Top 50% | 25 | 29.47% | 22 08% | 80.96% | 8.46% | 9 |
| Bottom 10% | 5 | -29 29% | -25.05% | -16 46% | -51 78% | 3 |
| 100% | 49 | 10.46% | 8.46% | 80.96% | -51.78% | 21 |

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## CHART 4
## ANNUAL GROWTH RATE $

The chart below reflects the 2018 AVERAGE Annual Gross Sales Growth $ rankings. Data displayed also includes MEDIAN, HIGHEST, and LOWEST Gross Sales growth $. These rankings are broken out into in five (5) groups; top 10%, top 25%, top 50%, bottom 10%, and 100% of all outlets in business for 24 months or more, and which Franchise Businesses also had 12 full months of reported Gross Sales for calendar year 2018 and 2017.

| 2018 vs. 2017 Growth Rate (%) Rankings | Number of Franchise Businesses in This Group | AVERAGE Annual Sales Growth ($) for Franchise Businesses in This Group | MEDIAN Annual Sales Growth ($) for Franchise Businesses in This Group | HIGHEST Annual Sales Growth ($) for Franchise Businesses in This Group | LOWEST Annual Sales Growth ($) for Franchise Businesses in This Group | Number of ALL Franchise Businesses Meeting or Exceeding This Level of Average Growth ($) |
|---|---|---|---|---|---|---|
| Top 10% | 6 | $212,664 | $222,260 | $252,633 | $172,809 | 3 |
| Top 25% | 14 | $169,473 | $163,573 | $252,633 | $95,837 | 4 |
| Top 50% | 28 | $112,238 | $92,646 | $252,633 | $33,735 | 11 |
| Bottom 10% | 5 | ($169,574) | ($158,501) | ($108,799) | ($269,999) | 51 |
| 100% | 56 | $36,092 | $32,536 | $252,633 | ($269,999) | 22 |

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## CHART 5
## 2018 GROSS SALES

The Chart below reflects the annual Gross Sales reported for each of the 71 Franchise Businesses operating for 12 months or more, and which outlets also had 12 full months of reported Gross Sales for calendar year 2018. Data is ranked by the highest to lowest Gross Sales as reported to us in information completed by our Franchisees.

| RANK | GROSS SALES | RANK | GROSS SALES | RANK | GROSS SALES | RANK | GROSS SALES |
|---|---|---|---|---|---|---|---|
| 1 | $1,882,133 | 21 | $493,252 | 41 | $284,859 | 61 | 158,118 |
| 2 | $1,791,195 | 22 | $476,952 | 42 | $284,597 | 62 | 149,721 |
| 3 | $1,487,554 | 23 | $468,296 | 43 | $282,439 | 63 | 139,200 |
| 4 | $1,454,098 | 24 | $452,282 | 44 | $281,163 | 64 | 138,504 |
| 5 | $1,175,908 | 25 | $441,683 | 45 | $263,046 | 65 | 130,370 |
| 6 | $1,117,112 | 26 | $420,975 | 46 | $242,820 | 66 | 119,810 |
| 7 | $1,009,232 | 27 | $419,637 | 47 | $233,843 | 67 | 117,236 |
| 8 | $1,004,828 | 28 | $418,760 | 48 | $230,986 | 68 | 62,399 |
| 9 | $1,002,309 | 29 | $414,350 | 49 | $230,546 | 69 | 49,909 |
| 10 | $863,604 | 30 | $406,411 | 50 | $208,184 | 70 | 40,502 |
| 11 | $719,495 | 31 | $389,445 | 51 | $205,769 | 71 | 38,420 |
| 12 | $697,624 | 32 | $379,977 | 52 | $204,193 | | |
| 13 | $656,146 | 33 | $365,009 | 53 | $197,042 | | |
| 14 | $606,252 | 34 | $362,482 | 54 | $194,912 | | |
| 15 | $584,909 | 35 | $338,103 | 55 | $190,546 | | |
| 16 | $558,726 | 36 | $329,272 | 56 | $190,244 | | |
| 17 | $541,863 | 37 | $308,656 | 57 | $185,538 | | |
| 18 | $525,145 | 38 | $297,717 | 58 | $184,062 | | |
| 19 | $504,077 | 39 | $294,192 | 59 | $181,039 | | |
| 20 | $496,805 | 40 | $291,164 | 60 | $160,722 | | |

The historical information listed in this item includes the Gross Sales and Average Gross Sales derived from historical operating results of the Franchise Businesses indicated for the period of time reflected in this report. Gross Sales is defined as any and all monies received & reported by Franchise Businesses for goods and services sold under the franchise brand during the reporting period specified. Franchisor obtained these figures from information provided to by Franchisees for the period of time January 1, 2018, through December 31, 2018. Neither we, or our independent Certified Public Accountants, have audited or verified any of the figures reported to us. We make no representations as to the accuracy of gross revenues reported by our franchisees or the extent that these figures were derived using generally accepted accounting principles (GAAP.)

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

Written substantiation for these financial performance representations will be made available for a prospective franchisee upon request.

Other than the preceding financial performance representation, The Glass Guru Franchise Systems, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projection of your future income, you should report it to the franchisor's management by contacting Mr. Glen Greenfelder, COO, 1382 Blue Oaks Blvd., STE. 213, Roseville, California, 95678, (916) 865-4417, the Federal Trade commission, and the appropriate state regulatory agencies.

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## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

### Item 20 : Table No. 1
### System-Wide Outlet Summary
### for Years 2016-2018

| Outlet Type | Year | Outlets at START of year | Outlets at END of Year | Net Change |
|---|---|---|---|---|
| Franchised | 2016 | 76 | 92 | +16 |
| | 2017 | 92 | 85 | -7 |
| | 2018 | 85 | 83 | -2 |
| Company-Owned | 2016 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 |
| Total Outlets | 2016 | 76 | 92 | 16 |
| | 2017 | 92 | 85 | -7 |
| | 2018 | 85 | 83 | -2 |

### Item 20 : Table No. 2
### Transfers of Outlets to New Owners (other than the Franchisor)
### for Years 2016-2018

| State | Year | Number of Transfers |
|---|---|---|
| California | 2016 | 1 |
| | 2017 | 0 |
| | 2018 | 0 |
| Florida | 2016 | 1 |
| | 2017 | 0 |
| | 2018 | 0 |
| Texas | 2016 | 0 |
| | 2017 | 0 |
| | 2018 | 1 |
| Washington | 2016 | 1 |
| | 2017 | 1 |
| | 2018 | 0 |
| TOTALS | 2016 | 3 |
| | 2017 | 1 |
| | 2018 | 1 |

## Item 20 : Table No. 3
## Status of Outlets Franchised
## for Years 2016-2018

| State | Year | Outlets Year Start | Outlets Opened | Terminated | Non-Renewals | Re-acquired by Franchisor | Ceased Operation Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2016 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arizona | 2016 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2017 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2018 | 3 | 0 | 2 | 0 | 0 | 0 | 1 |
| California | 2016 | 14 | 2 | 0 | 0 | 0 | 1 | 15 |
| | 2017 | 15 | 0 | 0 | 0 | 0 | 1 | 14 |
| | 2018 | 14 | 1 | 1 | 0 | 0 | 0 | 14 |
| Colorado | 2016 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2017 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2018 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| Connecticut | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Delaware | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Florida | 2016 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Georgia | 2016 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2017 | 4 | 2 | 0 | 0 | 0 | 1 | 5 |
| | 2018 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Hawaii | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Illinois | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Indiana | 2016 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Iowa | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Kentucky | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Louisiana | 2016 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| Maryland | 2016 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Massachusetts | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| State | Year | Outlets Year Start | Outlets Opened | Terminated | Non-Renewals | Re-acquired by Franchisor | Ceased Operation Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Michigan | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Minnesota | 2016 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Mississippi | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Missouri | 2016 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Montana | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Mexico | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nevada | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New York | 2016 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| North Carolina | 2016 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2017 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| North Dakota | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 2016 | 7 | 2 | 1 | 0 | 0 | 0 | 8 |
| | 2017 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2018 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| Oklahoma | 2016 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Oregon | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2016 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2017 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| South Dakota | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2016 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Texas | 2016 | 6 | 2 | 0 | 0 | 0 | 0 | 8 |
| | 2017 | 8 | 2 | 0 | 0 | 0 | 0 | 10 |

| State | Year | Outlets Year Start | Outlets Opened | Terminated | Non-Renewals | Re-acquired by Franchisor | Ceased Operation Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 10 | 2 | 0 | 0 | 0 | 0 | 12 |
| Virginia | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 2016 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2017 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2018 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Wisconsin | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2018 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| USA | 2016 | 67 | 17 | 1 | 0 | 0 | 2 | 81 |
| | 2017 | 81 | 8 | 5 | 1 | 0 | 4 | 79 |
| | 2018 | 79 | 3 | 5 | 0 | 0 | 0 | 77 |
| CANADA | 2016 | 8 | 2 | 0 | 0 | 0 | 0 | 10 |
| | 2017 | 10 | 0 | 2 | 2 | 0 | 1 | 5 |
| | 2018 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| TOTALS | 2016 | 75 | 19 | 1 | 0 | 0 | 2 | 91 |
| | 2017 | 91 | 8 | 7 | 3 | 0 | 5 | 84 |
| | 2018 | 84 | 3 | 5 | 0 | 0 | 0 | 82 |

**Item 20 : Table No. 4**
**Status of Company-Owned Outlets**
**for Years 2016-2018**

| State | Year | Outlets Year Start | Outlets Opened | Terminated | Non-Renewals | Re-acquired by Franchisor | Ceased Operation Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| **California** | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTALS** | 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

A list of our franchisees as of December 31, 2018, is attached at Exhibit F. A list of franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the year ended December 31, 2018 is attached at Exhibit F. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Since franchising, we have not entered into any confidentiality agreements with current or former franchisees that would restrict their ability to speak openly about their experience with The Glass Guru Franchise System.

Currently there are no trademark-specific franchisee organizations associated with The Glass Guru franchise system.

## Item 20 : Table No. 5
## Projected Openings
## As of December 31, 2018

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In the Next Fiscal Year |
|---|---|---|---|
| American Samoa | 0 | 0 | 0 |
| Arizona | 0 | 1 | 0 |
| Arkansas | 0 | 1 | 0 |
| California | 0 | 1 | 0 |
| Colorado | 0 | 1 | 0 |
| Connecticut | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 |
| Florida | 0 | 1 | 0 |
| Georgia | 0 | 1 | 0 |
| Guam | 0 | 0 | 0 |
| Hawaii | 0 | 0 | 0 |
| Idaho | 0 | 1 | 0 |
| Illinois | 0 | 0 | 0 |
| Indiana | 0 | 0 | 0 |
| Iowa | 0 | 0 | 0 |
| Kansas | 0 | 1 | 0 |
| Kentucky | 0 | 0 | 0 |
| Louisiana | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 |
| Maryland | 0 | 0 | 0 |
| Massachusetts | 0 | 0 | 0 |
| Michigan | 0 | 1 | 0 |

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In the Next Fiscal Year |
|---|---|---|---|
| Minnesota | 0 | 1 | 0 |
| Mississippi | 0 | 0 | 0 |
| Missouri | 0 | 2 | 0 |
| Montana | 0 | 0 | 0 |
| Nebraska | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 |
| New Hampshire | 0 | 0 | 0 |
| New Jersey | 0 | 1 | 0 |
| New Mexico | 0 | 0 | 0 |
| New York | 0 | 0 | 0 |
| North Carolina | 0 | 0 | 0 |
| North Dakota | 0 | 0 | 0 |
| Northern Marianas Islands | 0 | 0 | 0 |
| Ohio | 0 | 1 | 0 |
| Oklahoma | 0 | 1 | 0 |
| Oregon | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 |
| Puerto Rico | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 1 | 0 |
| Texas | 0 | 1 | 0 |
| Utah | 0 | 1 | 0 |
| Vermont | 0 | 0 | 0 |
| Virginia | 0 | 0 | 0 |

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In the Next Fiscal Year |
|---|---|---|---|
| Virgin Islands | 0 | 0 | 0 |
| Washington | 0 | 0 | 0 |
| West Virginia | 0 | 0 | 0 |
| Wisconsin | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 |
| **TOTALS** | **0** | **18** | **0** |

## ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements for the years ended December 31, 2018 and December 31, 2017 and December 31, 2016 are included in Exhibit E to this Disclosure Document.

## ITEM 22. CONTRACTS

The Glass Guru Franchise Systems, Inc. Franchise Agreement (with exhibits) is attached to this Disclosure Document as Exhibit A.

The Glass Guru Franchise Systems, Inc. Specifics is attached to the Franchise Agreement as Exhibit 1.

The Glass Guru Franchise Systems, Inc. General Release is attached to the Franchise Agreement as Exhibit 2.

The Glass Guru Franchise Systems, Inc. Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit 3.

The Glass Guru Franchise Systems, Inc. Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit 4.

The Glass Guru Franchise Systems, Inc. Holder of Legal or Beneficial Interest in Franchisee; Officers; Directors is attached to the Franchise Agreement as Exhibit 5.

The Glass Guru Franchise Systems, Inc. Assignment of Telephone Numbers and Internet Tools is attached to the Franchise Agreement as Exhibit 6.

The Glass Guru Franchise Systems, Inc. Promissory Note and Security Agreement that you must sign if we finance a portion of the initial franchise fee is attached to this Disclosure Document as Exhibit I.

We provide no other contracts or agreements for your signature.

## ITEM 23. RECEIPTS

Our copy and your copy of the Franchise Disclosure Document Receipt are located on the last 2 pages of this Disclosure Document.

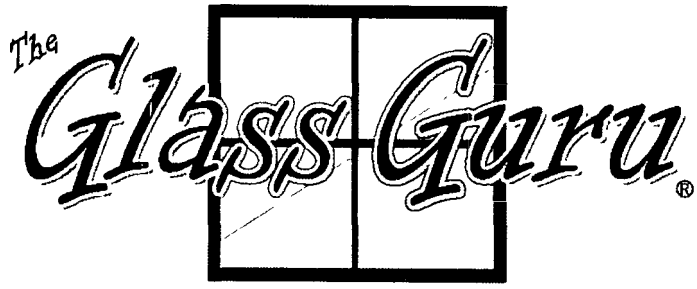
**[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]**

# EXHIBIT A

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

# FRANCHISE AGREEMENT




# FRANCHISE AGREEMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.
EXHIBIT A TO THE DISCLOSURE DOCUMENT

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THE GLASS GURU FRANCHISE SYSTEMS, INC.

# FRANCHISE AGREEMENT

This Franchise Agreement, made _____, is by and between The Glass Guru Franchise Systems, Inc., a California corporation having its principal place of business at 1382 Blue Oaks Blvd., STE. 213, Roseville, California 95678 ("Franchisor"), and the individual or entity ("Franchisee"), with the names and addresses for each party listed on Exhibit 1.

**WITNESSETH:**

WHEREAS, Franchisor and its Affiliate* have developed, and are continuing to develop, a System identified by the service mark "THE GLASS GURU" relating to the establishment and operation of a franchise business to install, repair and replace residential and commercial glass, windows and doors and provide other related services and sell other related products to residential and commercial customers, which is referred to in this Agreement as "The Glass Guru Business;" and

WHEREAS, Franchisor and its Affiliate have custom designed, developed and/or acquired, and are in the process of continuing to design and develop, certain window restoration tools and equipment, and products ("The Glass Guru Restoration Tools") especially suited for use in the operation of The Glass Guru Business, which are or will be supplied by Franchisor to franchisees on a for-profit basis; and

WHEREAS, in addition to The Glass Guru Restoration Tools and the service mark "THE GLASS GURU" and certain other Marks, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion of The Glass Guru Business; customer service and development techniques; other strategies, techniques and Trade Secrets; and the Manuals; and

WHEREAS, Franchisor intends to grant Franchisee the right to own and operate a Franchise Business using the System, the Marks and other resources described in this Agreement; and

WHEREAS, Franchisee desires to operate The Glass Guru Business, has applied to Franchisor for the right to operate a Franchise and such application has been approved by Franchisor in reliance upon all the representations of Franchisee made in the Agreement, including exhibits; and,

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's standards of high and uniform quality, operations and service and the necessity of operating the Franchise Business in strict conformity with Franchisor's System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

*Capitalized terms not otherwise defined are defined in Section 1.

## 1 DEFINITIONS

**Whenever used in this Agreement, the following words and terms have the following meanings:**

"**Action**" includes complaints, cross claims, counterclaims, and third-party complaints in a judicial action or proceeding, and their equivalents in an administrative action or arbitration;

"**Affiliate**" when used in reference to Franchisee includes, but is not limited to, all persons who are related to the Franchisee (including but not limited to Franchisee's spouse), principals, owners, officers, directors, shareholders, members of limited liability companies, partners, employees, guarantors, parent companies, sister companies and subsidiaries. An entity is affiliated with Franchisee when the entity controls, is controlled by or under common control with Franchisee or any other affiliate as defined in this Section. The term "affiliate" or "affiliates" when used in reference to Franchisor means any entity that controls, is controlled by or under common control with Franchisor.;

"**Agreement**" means this agreement entitled "The Glass Guru Franchise Systems, Inc. Franchise Agreement" and all instruments supplemental to this Agreement or in amendment or confirmation of this Agreement;

"**Approved Location**" means the site selected by Franchisee and approved in writing by Franchisor from which Franchisee manages and administers the Franchise Business and maintains the books and records of the Franchise Business;

"**Approved Supplier**" has the meaning given to such term in Section 13.1.1;

"**Area of Primary Responsibility**" has the meaning given to such term means a geographic territory for which Franchisor Grants to Franchisee a license to operate under the terms and conditions set forth in this Agreement in Section 2.3 and Section B of Exhibit 1;

"**Competitive Business**" means any business, whether direct or indirect, that offers (or grants franchises or licenses to others to operate a business that offers) products and services the same as or similar to those provided by Franchise Business or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term "Competitive Business" must not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

"**Confidential Information**" means technical and non-technical information used in or related to The Glass Guru Business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by Franchisor. Confidential Information must not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure under this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

**"Converted Business"** means a Competitive Business that Franchisor, at its sole discretion, grants an Area of Primary Responsibility in which to begin the Franchise Business. In these circumstances, Franchisee is required to merge the Competitive Business with and into the

Franchise Business. All subsequent operations and activities of the Franchise Business will be conducted by the Franchisee under the Mark(s) of The Glass Guru, utilizing appropriate copyrighted materials, manuals, systems, etc. subject to the terms and conditions of this Agreement. While Franchisor will discuss a business conversion with any Competitive Business, a Competitive Business is only eligible receive "Incentives for Converted Businesses" when the Competitive Business converting to a Franchise Business can demonstrate Gross Sales equal to, or greater than $500,000 for the most current 12-month operating period.

"**Cooperative Advertising**" means the combined advertising program of two (2) or more franchisees established within a common market that Franchisor may require for The Glass Guru Business within a particular region;

"**Designated Manager**" means the person designated by Franchisee who has primary responsibility for managing the day-to-day affairs of the Franchise Business, and if Franchisee is an individual and not a business entity, the Designated Manager may be Franchisee;

"**Effective Date**" means the date on which Franchisee and Franchisor fully execute this Agreement, commencing its effectiveness and term;

"**Electronic Transfer Account**" means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw or deposit any funds due to or from Franchisor;

"**Financial Performance Representation**" means any representation, including any oral, written or visual representation, to a prospective franchisee, including a representation in the general media, that states, expressly or by implication, a specific level or range of actual or potential sales, income, gross profits, or net profits. The term includes a chart, table, or mathematical calculation that shows possible results based on a combination of variables;

"**Franchise**" means the right granted to Franchisee by Franchisor to use the System and the Marks;

"**Franchise Fee**" means the amount specified in Section D of Exhibit 1

"**Franchise Business**" means The Glass Guru business established and operated by Franchisee under this Agreement, utilizing our System, in one or more stores within an Area of Primary Responsibility.

"**Franchisee**" means the individual or entity specified as "Franchisee" in in Exhibit 1

"**Franchisor**" means The Glass Guru Franchise Systems, Inc.;

"**Franchisor Indemnitees**" has the meaning given to such term in Section 21.3;

"**Brand Identity Package**" has the meaning given to such term in Section 11.1;

"**Gross Sales**" means the total gross revenues collected or received from whatever source (whether in the form of cash, credit, agreements to pay, barter, trade credits, good will or other consideration) that arise, directly or indirectly, from or in connection with the operation of your franchise, including but not limited to:

A. the sale of goods and/or services offered by or through the franchise;

B. the sale of goods and/or services by you or a third-party selling products and/or services on your behalf that are sold or that are required to be sold under the terms of the Franchise Agreement, no matter from what location or business the income is generated;

C. the proceeds from any business interruption insurance and/or damages or settlement amounts received to compensate you for lost revenue of the franchise;

D. any revenue generated from commissions, rebates or Affiliate programs; and,

E. except as provided below for charity activities, the value of any goods and/or services provided without compensation to you.

**Gross Sales may be further defined in our Manuals, including our Policies Manual.**

You are not required to pay royalty on the value of any portion of goods and/or services provided without compensation to you if those goods and/or services are provided for a charitable organization approved by us ("Guru Charity"). Currently, all charitable organizations listed by the Internal Revenue Service ("IRS") as exempt under Internal Revenue Code §501(c)(3) ("501(c)(3) organizations") are automatically approved by us. Go to IRS.gov to search for a list of 501(c)(3) organizations. If you provide goods and/or services without compensation that are not for an organization that is listed by the IRS as a 501(c)(3) organization or a charitable organization otherwise approved by us, the value of those goods and/or services must be included in your Gross Sales for purposes of paying royalty to us. The value of the goods and/or services provided without compensation will be equal to the amount that you would normally charge for the goods and/or services.

"**Gross Sales Reports**" has the meaning given to such term in Section 12.2;

"**Incapacity**" means the inability of Franchisee to operate or oversee the operation of the Franchise Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"**Immediate Family Members**" means a person's parents, spouse, children (by blood, adoption, or marriage), and siblings; and, will also include the parent's spouse and any grandchildren.

"**Internet**" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

"**Local Advertising**" has the meaning given to such term in Section 11.2;

"**Manual**" means The Glass Guru Operations Manual and Safety Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor.

"**Marketing Fee**" has the meaning given to such term in Section 3.4;

"**Marks**" means the service mark "THE GLASS GURU" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings

and other commercial symbols as Franchisor may designate to be used in connection with The Glass Guru Business;

"**Parent**" means an entity that controls another entity directly, or indirectly through one or more subsidiaries;

"**Person**" means any individual, group, association, limited or general partnership, corporation, or any other entity;

"**Plain English**" means the organization of information and language usage understandable by a person unfamiliar with the Franchise Business. It incorporates short sentences; definite, concrete, everyday language; active voice; and tabular presentation of information, where possible. It avoids legal jargon, highly technical business terms, and multiple negatives;

"**Predecessor**" means a person from whom the franchisor acquired, directly or indirectly, the major portion of the franchisor's assets;

"**Required Payment**" means all consideration that the franchisee must pay to the franchisor or an Affiliate, either by contract or by practical necessity, as a condition of obtaining or commencing operation of the franchise. A required payment does not include payments for the purchase of reasonable amounts of inventory at bona fide wholesale prices for resale or lease;

"**Royalty Fee**" has the meaning given to such term in Section 3.3;

"**System**" means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of The Glass Guru Business;

"**The Glass Guru Restoration Tools**" has the meaning given to such term in the Recitals preceding this Section;

**"The Glass Guru Business"** refers to the Franchise Business operating under the System, including rights, privileges, and obligations set forth in this Agreement for the establishment and operation of installing, repairing and replacing residential and commercial glass, windows and doors; and, providing other related services and selling other related products to residential and commercial customers.

"**Trade Secrets**" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in The Glass Guru Business that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy;

"**Trademark**" includes trademarks, service marks, names, logos, and other commercial symbols.

## 2 GRANT OF FRANCHISE

### 2.1 Grant

Franchisor grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions of this Agreement, a revocable, limited license to operate one (1) Franchise Business using the System and Marks. In addition, even though Franchisee is licensed to operate within the Area of Primary Responsibility (defined below), such license does not prevent Franchisor from using or continuing to develop its website or otherwise using the Internet to market to prospective customers the services offered by The Glass Guru® franchisees, even though prospective customers within the area could see the website or other Internet marketing and decide to use The Glass Guru® franchisee other than Franchisee licensed under this Agreement.

2.2 Approved Location

The street address (or detailed description of the premises) of the Approved Location for the Franchise Business as described in Section A of Exhibit 1.

2.3 Area of Primary Responsibility

The "Area of Primary Responsibility" is area surrounding the Franchise Business location and is defined using US zip codes. This area is considered the geographic market boundary for the Franchise Business. The population of an Area of Primary Responsibility for a Franchise Business will typically range from 200,000 to 750,000. Population should be determined by referencing the most recent figures available from the United States Census Bureau at the time the Area of Primary Responsibility is designated. **The Area of Primary Responsibility is defined in Section B of Exhibit 1.**

2.4 Nonexclusive License

The Franchise granted under this Agreement is nonexclusive and Franchisor retains all rights and discretion with respect to the Marks and System, including the right to:

2.4.1 establish or operate, and to grant others the right to establish or operate, a The Glass Guru Business at any location as Franchisor deems appropriate; provided however such established businesses and operations are conducted within the Area of Primary Responsibility specified by the Franchisor for the Franchise Business;

2.4.2 establish or operate, and to grant others the right to establish or operate, other businesses offering the same or similar products or services utilizing the Marks or other trade names, trademarks and service marks without offering Franchisee any right provided however such established businesses and operations are conducted within the Area of Primary Responsibility specified by the Franchisor for the Franchise Business;

2.4.3 sell or otherwise distribute products and services similar to those offered through the Franchise Business through any alternate channel of distribution, including through retail outlets at a fixed location and by direct mail and Internet sales, under terms and conditions that Franchisor deems appropriate; and

2.4.4 engage in any activities not expressly forbidden by this Agreement.

2.5 Marketing, Solicitation and Service Restrictions for Areas of Primary Responsibility

2.5.1 Franchisee must not directly market to or solicit customers in areas inside the Area of Primary Responsibility of another The Glass Guru franchisee; provided, however, Franchisee has the right to provide services and sell products to Immediate Family Members located inside another The Glass Guru Franchisee's Area of Primary Responsibility.

2.5.1.1 If we determine that you, prior to obtaining the express written consent of Franchisor, directly market to or solicit customers or provide Services in the Area of Primary Responsibility of another The Glass Guru franchisee, you must pay the franchisee that has the right to the infringed Area of Primary Responsibility an amount equal to the total sums you received for the Services and Products, less the actual cost you paid for the Products sold and any third party hired labor costs. All sums must be paid within ten (10) days after receiving notice from Franchisor. A second violation could result in the termination of this Agreement. Services to Immediate Family Members are exempt from this Section.

2.5.1.2 Further, except as part of Cooperative Advertising implemented under Section 11.4, Franchisee must not advertise in any form of media whose primary location, broadcast or circulation is outside of the Area of Primary Responsibility without the prior written approval of Franchisor. Franchisor must make reasonable efforts to enforce these restrictions with regard to Franchisee and any other The Glass Guru Business, but under no circumstances must Franchisor be required to engage in litigation or similar actions with regard to these restrictions.

2.5.2 Marketing, Solicitation and Service Restrictions for areas not granted.

Other than for Immediate Family Members, if you wish to use any part of the System (including, but not limited to, the providing of any Services) and/or the Marks outside your Area of Primary Responsibility in an area not yet franchised by us, we may (but are not obligated to) allow you to do so on a temporary basis under such terms and conditions as we deem fit, including (but not limited to) our granting such rights on a non-exclusive basis. Any work completed outside your Area of Primary Responsibility requires our prior authorization and is subject to our right to charge a fee per customer for authorizing such service. If applicable, method of requesting authorization and the specific fee(s) charged for such service will be stipulated in the Manual.

Also, upon receipt of notice from us, you must immediately stop all marketing and sales activities in any area outside of your Area of Primary Responsibility and submit a full accounting of all current activity to us including all leads, proposals, and Sales. Franchisor has the sole discretion to determine the process for completing all activities for customers and the process for making the transition to any new or current franchisee. You will NOT retain rights to ANY customers outside of your Area of Primary Responsibility.

2.6 Sub-franchising/Agents

Franchisee must not sublicense the use of the System or Marks to any person or entity to perform any part of Franchisee's rights or obligations licensed hereunder, or to grant any person or entity the right to act as Franchisee's agent to perform any part of Franchisee's rights or obligations hereunder.

2.7 Notice to Franchisor for Certain Events

Franchisee must notify Franchisor in writing, within five (5) days of the event, of any of the following events: (1) the commencement of any civil or criminal action, suit, or proceeding by Franchisee or by any person or government agency against Franchisee; (2)Franchisee receives a notice of noncompliance with any law, rule, or regulation; (3) the issuance of any order, suit, or proceeding of any court, agency, or other governmental body that may adversely affect the operation or financial condition of the Franchise Business; (4) any complaints, inspections, reports, warnings, certificates, or ratings of Franchisee or the Franchise Business, communicated, issued, performed, or scheduled by any governmental agency; (5) the scheduling or conducting of an audit of Franchisee by the Internal Revenue Service or any other federal, state, or local governmental authority; and (6) any unionization effort, collective bargaining agreement, labor strike, dispute, slowdown, work stoppage, or lockout. Franchisee must notify Franchisor within one hour of the incident, using the emergency contact procedure specified by Franchisor, of any emergency situation relating to the Franchise Business, including but not limited to: (a) a fatality; (b) an accident; (c) an injury requiring medical attention; (d) media attention; (e) significant property damage; or (f) any incident involving a law enforcement agency. Franchisee must provide Franchisor with any additional information Franchisor requests, within five days of request, about the status, progress, or outcome of any of the events listed in this Section.

2.8 Right to Obtain Franchisee's Credit Report/Background Checks.

Franchisee consents to permitting Franchisor to obtain Franchisee's credit report and/or to perform background checks at any time to confirm that Franchisee is paying third-party creditors and otherwise meeting the standards of Franchisor, and Franchisee agrees to cooperate and to sign any authorizations necessary to enable Franchisor to acquire Franchisee's credit report and/or to perform background checks.

2.9 Supplemental Exhibits and Agreements

Franchisee is required to sign supplemental agreements simultaneous with the execution of this Agreement, including the following:

A. Exhibit 1, Specifics. This document describes the Area of Primary Responsibility, the Franchise Fee, and provides other information.

B. Exhibit 3, Non-Disclosure and Non-Competition Agreement. Simultaneously with the signing of this Agreement, Franchisee will sign the Non-Disclosure and Non-

Competition Agreement in the form of Exhibit 3. This Agreement provides for the protection of the System and the Marks.

C. Exhibit 4, Guaranty and Assumptions of Obligations. The shareholders, members, officers, directors, and representatives of Franchisee if Franchisee is a corporation, partnership or other limited liability entity and the Affiliates of Franchisee involved with or that provide assets or services to the Franchise Business must sign this document to agree to be liable to Franchisor for the obligations of Franchisee.

D. Exhibit 5, Holders of Beneficial Interest in Franchisee; Officers; Directors. The owners of Franchisee and other persons beneficially interested in Franchisee sign this document to agree to be personally bound by the provisions of this Agreement and to provide information about Franchisee and its owners.

E. Exhibit 6, Assignment of Telephone Numbers and Internet Tools. Simultaneously with the signing of this Agreement and any time thereafter, as Franchisor requests, Franchisee will sign an assignment of the telephone numbers, Internet domain names, e-mail addresses, websites, social media (such as Facebook, LinkedIn, Twitter, YouTube), blogs, vlogs (social videos), online social networks, wikis, forums, content sharing communities, and other internet tools ("Telephone Numbers and Internet Tools") used by Franchisee in the Franchise Business in the form of Exhibit 6 attached to this Agreement. The assignment provides that Franchisee will have a limited license to use the Telephone Numbers and Internet Tools during the term of this Agreement and as long as Franchisee complies with the policies and procedures specified by Franchisor.

## 3 FEES, OTHER PAYMENTS AND PROCEEDURES

Franchisee must pay to Franchisor the following fees and other items listed below in the amounts, at the intervals and in accordance with the procedures described in this Agreement. Each such payment by Franchisee must be payable separately and is in addition to all other payments required in this Agreement.

### 3.1 Franchise Fee

In consideration of the rights and license granted by Franchisor, Franchisee agrees to pay, at the time of signing of this Agreement, a fee ( the "Franchise Fee") to Franchisor in the amount stated in Section C of Exhibit 1 The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as described in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees. The fee reflected in Section C of Exhibit 1 reflects any applicable incentive(s) that may have been applied toward the Franchise Fee as determined by Franchisor at the time the Agreement is executed.

### 3.2 Monthly Royalty Fee

On the twentieth (20th) day of each month, Franchisee must pay to Franchisor without offset, credit or deduction of any nature, so long as this Agreement is in effect, a fee ("Royalty Fee") equal to five percent (5%) of Gross Sales for the previous calendar month.

In the case of a Converted Business, Franchisee must pay to Franchisor Royalty Fee reflecting a mutually agreed upon discount schedule based on one of two options reflected below.

1. For a Franchisee electing to receive a 50% reduction in the Franchise Fee, Franchisee will receive a 50% reduction in the monthly Royalty Fee (as defined above) for the mutually agreed upon Gross Sales from most current 12-month period prior to converting. Any Gross Sales exceeding this amount derived during the first 12-months of operations will be subject to the full monthly Royalty Fee amount defined above. This reduction in the monthly Royalty Fee will terminate following the Franchise Business's 2nd full year (12-months) of operation.

2. For a Franchisee electing to pay full Franchise Fee, for a period of 24 months, Franchisee will receive a 50% reduction in the monthly Royalty Fee (as defined above) for the mutually agreed upon Gross Sales from most current 12-month period prior to converting. Any gross sales exceeding of this amount derived during this 12-month period will be subject to the full Monthly Royalty Fee amount as defined in section 3.2 of the Franchise agreement. This reduction in monthly Royalty Fees will reset and renew for a subsequent 12-month period during the franchise Business 2nd full year of operation. This reduction in the monthly Royalty Fee will terminate following the Franchise Business's 2nd full year (24-months) of operation.

Any discount schedule applying to Royalty Fee must be reflected in an amendment to the Agreement executed by all parties at the time the Agreement is executed.

"Gross Sales," as used in this Agreement means the total gross revenues collected or received from whatever source (whether in the form of cash, credit, agreements to pay, barter, trade credits, good will or other consideration) that arise, directly or indirectly, from or in connection with the operation of your franchise, including but not limited to:

A. the sale of goods and/or services offered by or through the franchise;

B. the sale of goods and/or services by you or a third-party selling products and/or services on your behalf that are sold or that are required to be sold under the terms of the Franchise Agreement, no matter from what location or business the income is generated;

C. the proceeds from any business interruption insurance and/or damages or settlement amounts received to compensate you for lost revenue of the franchise;

D. any revenue generated from commissions, rebates or affiliated programs; and,

E. except as provided below for charity activities, the value of any goods and/or services provided without compensation to you.

You are not required to pay royalty on the value of any portion of goods and/or services provided without compensation to you if those goods and/or services are provided for a charitable organization approved by us ("Guru Charity"). Currently, all charitable organizations listed by the Internal Revenue Service ("IRS") as exempt under Internal

Revenue Code §501(c)(3) ("501(c)(3) organizations") are automatically approved by us. Go to IRS.gov to search for a list of 501(c)(3) organizations. If you provide goods and/or services without compensation that are not for an organization that is listed by the IRS as a 501(c)(3) organization or a charitable organization otherwise approved by us, the value of those goods and/or services must be included in your Gross Sales for purposes of paying royalty to us. The value of the goods and/or services provided without compensation will be equal to the amount that you would normally charge for the goods and/or services

**Gross Sales may be further defined in our Manuals, including our Operations Manual.**

Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as described in Section 3.6.

3.3 Marketing Fee

Some franchisees have older forms of agreement requiring such franchisees to contribute to our marketing fund. While you are NOT required to contribute to the marketing fund, one (1%) percent of your Marketing Fee will be allocated to the marketing fund until no older forms of agreement require contribution to the marketing fund.

Franchisor charges a Marketing Fee, as defined in this Section 3.3. Franchisee is required to pay Marketing Fee on a monthly basis equal to three percent (3%) of the corresponding monthly Gross Sales. Marketing Fee Contributions must be made at the same time and in the same manner as Royalty Fees. Franchisor must notify Franchisee at least thirty (30) days before implementing or changing Marketing Fee Contribution requirements.

3.3.1.1 Franchisor will oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation of that marketing. Franchisor does not warrant that any particular franchisee must benefit directly or pro rata from expenditures by the Marketing Fee. The program(s) may be local, regional or System-wide.

3.4 Taxes

Franchisee must pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder and on services or goods furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchise Business is located.

3.5 Payment of Fees

Franchisee must pay the full amount of the Royalty Fee and Marketing as provided above, and certain monthly technology fees (e.g. ServiceBridge and Qvinci, etc.) and no offset or claim may be made against those fees unless otherwise stated in this Agreement. All payments for fees and charges must be made to Franchisor in the manner and at the times specified by Franchisor. Currently Franchisor specifies that: (a) royalties, and marketing fees must be paid

to Franchisor on the 20th day of the month following the end of the calendar month in which the revenue was generated (royalties and marketing fees) and/or the fees were charged (technology fees); (b) miscellaneous fees and charges, including but not limited to fees for goods or services, must be paid to Franchisor at the time they are incurred. All Payments must be paid via Automated Clearing House ("ACH") transfers or other form of payment transfer as Franchisor specifies. In some circumstances, it may be necessary for Franchisor to ACH transfer funds for miscellaneous fees other on the 20th day of the month. In that case, the amount and date of deduction will be communicated to Franchisee in advance. Franchisee must not close the Account associated with Payment of Fees without Franchisor's written consent.

### 3.6 Late Fees

All Royalty Fees, Marketing Fees, amounts due for purchases by Franchisee from Franchisor and other amounts that are not received by Franchisor within five (5) days after the due date will incur late fees at the rate of one and one-half percent (1.5%) per month or the maximum rate of interest allowed by the law of the state where the Franchisee is located, (whichever is greater) from the date payment is due to the date payment is received by Franchisor. Franchisee must pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Marketing Fees or any other amounts due Franchisor, including reasonable accounting and legal fees. This Section must not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

### 3.7 NSF Fees and Interest

Franchisee must pay on demand a fee equal to any charges Franchisor may incur as a result of ACH or other transfers returned to Franchisor for non-sufficient funds or other reasons, but not less than $75.00 for each item returned ("NSF fees"). Also, Franchisee must pay to Franchisor, on demand, interest on all overdue payments from the date the payment was due until paid equal to the greater of (i) 1.5% per month or (ii) the maximum rate of interest permitted by law. The assessment of NSF fees and interest will not be the sole remedies of Franchisor in such circumstances. All amounts paid will be first applied to NSF fees and interest and the balance to principal.

### 3.8 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor has the right to apply all or any portion of any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Marketing Fees, purchases from Franchisor or any other amount owed to Franchisor in any proportion or priority.

## 4 TERM AND RENEWAL

### 4.1 Initial Term

This Agreement shall be effective and binding for an initial term of five (5) years from the Effective Date, unless sooner terminated under Section 16.

4.2 Successor Terms

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. Franchisee's right to a successor franchise is limited to three (3) successive terms of five (5) years each, such that the total term of the Franchise may not exceed twenty (20) years. Following the expiration date of three (3) successive terms Franchisor has the right to charge a franchise fee commensurate with the current and prevailing Franchise Agreement as of that date. To qualify for a successor franchise, each of the following conditions must have been fulfilled and remain true as of the last day of the term of this Agreement:

4.2.1 Franchisee has, during the entire term, substantially complied with all material provisions of this Agreement;

4.2.2 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchise Business reflects Franchisor's then-current standards and specifications;

4.2.3 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

4.2.4 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.5 Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement;

4.2.6 Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement must supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Marketing Fee; provided, however, that Franchisee will not be required to pay the then-current Franchise Fee;

4.2.7 Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any training requirements; and

4.2.8 Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 2, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners and employees.

4.2.9 Unless otherwise noted, all conditions to renewal must be met before the expiration of the initial term of this Agreement. If all of the other applicable conditions to renewal have been met, Franchisor will not withhold approval of renewal without good cause.

4.3 Good Cause for Withholding Approval of Renewal

Good cause for withholding approval of renewal may include, but is not limited to: Franchisee has failed to achieve minimum scores in Franchisor's Achievements in Excellence rankings or a similar Franchisor ranking system (the Achievements in Excellence rankings is a balanced scorecard approach used by Franchisor to measure customer service, operational excellence, learning and growth, community involvement, and system citizenship) Franchisee has failed to achieve minimum reply card scores; Franchisee has failed to achieve acceptable status on other compliance requirements; Franchisee's lack of commitment to Franchisor's core values; Franchisee has failed to use and cooperate in the use of operating systems and tools provided by Franchisor to improve the Franchise Business and/or the franchise system as a whole; Franchisee has failed to regularly attend and actively participate in conference calls, meetings, conventions, and other events sponsored or suggested by Franchisor to increase the chance of success and/or maximize the performance of the Franchise Business and/or the franchise system as a whole; Franchisee has failed to embrace new programs and business building initiatives developed for the enhancement of the performance of the Franchise Business; Franchisee has regularly acted in a combative or confrontational manner with Franchisor, vendors, customers, or other franchisees; Franchisee has had an excessive number of customer complaints and/or has not acted reasonably and in the best interests of the franchise system in resolving customer complaints; or Franchisor has reasonable concerns about the financial condition or creditworthiness of Franchisee.

If Franchisee does not meet all of the conditions for renewal as described above, Franchisor may, in its sole discretion, allow Franchisee to conditionally renew its franchise. If Franchisor consents to a conditional renewal of the franchise, Franchisee must meet all of the procedural conditions for renewal described in Section 4.2 (i.e. completing additional training, signing a new franchise agreement, updating equipment and operations, and payment of the renewal fee); however, the franchise agreement signed by Franchisee for the renewal term will only be for a limited probationary period (generally six months) and will specify performance criteria that Franchisee must meet during the probationary period. If Franchisee meets the specified performance criteria on the completion of the probationary period and is otherwise in compliance with the Franchise Agreement, Franchisor will agree in writing to permit Franchisee to sign a then-current form of franchise agreement for a full five-year renewal term commencing from the date the conditional renewal was granted. If Franchisee does not meet the specified performance criteria during the initial probationary period, Franchisor may, in its sole discretion, extend the probationary period for one additional probationary period (generally six to twelve months) to enable Franchisee a final opportunity to meet the

specified performance criteria. If Franchisee meets the specified performance criteria on the completion of the second probationary period and is otherwise in compliance with the Franchise Agreement, Franchisor will permit Franchisee to sign a then-current form of franchise agreement for a full five-year renewal term commencing from the date the first conditional renewal was granted.

### 4.4 Right to Change Area of Primary Responsibility on Renewal of Franchise

If Franchisee's franchise is renewed, Franchisor may change the Area of Primary Responsibility granted in the new franchise agreement signed in connection with the renewal or transfer in order to comply with Franchisor's then current manner of designating Area of Primary Responsibility, to make minor changes in the Area of Primary Responsibility to correct overlap or other issues, and for other valid business reasons. In addition, if the Area of Primary Responsibility has or attains a population of Seven Hundred Fifty Thousand (750,000) or more residents (as measured using a valid source specified by Franchisor), Franchisor reserves the right at the time of renewal of the franchise to require that the franchise open additional stores with the Area of Primary Responsibility and/or, divide the Area of Primary Responsibility into two or more Areas of Primary Responsibility in a manner Franchisor determines is reasonable in its sole discretion. In that case and provided that Franchisee is in compliance with this Agreement, Franchisee may: (i) without payment of any additional initial franchise fee, operate each of the newly created Area of Primary Responsibility under separate franchise agreements, or (ii) transfer one or more of the newly created Area of Primary Responsibility in accordance with Section 18, including but not limited to the obligation to pay Franchisor a transfer fee for each Area of Primary Responsibility transferred. As an alternative to dividing the Area of Primary Responsibility under these circumstances, Franchisor may require Franchisee to open and operate at an additional Franchise Business in the Area of Primary Responsibility.

## 5 ESTABLISHING THE FRANCHISE BUSINESS

### 5.1 Selection of Site

Franchisee must promptly select a site for the Franchise Business and must notify Franchisor of such selection. Franchisor must evaluate the site and notify Franchisee of its approval or disapproval of the site within a reasonable time of receiving notice of the site from Franchisor. If Franchisor has not disapproved of the initial location or any substitute location proposed by Franchisee within fifteen (15) days of receiving written notice of the location, then Franchisor will be deemed to have approved it. Upon approval of such selection, the site must be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee must select and notify Franchisor of new sites until Franchisor approves a site for the Franchise Business, which will not be unreasonably withheld. Franchisor must provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including the condition of the premises, demographics of the surrounding area, proximity to other The Glass Guru Business, lease requirements (if applicable) and overall suitability. Franchisee must not locate the Franchise Business on a selected site without the prior written approval of Franchisor. Franchisee must not locate the Franchise Business on a selected site without the prior written approval of Franchisor. The essence of Franchisor's core values, care, and integrity, requires that each franchisee in the franchise system respect all other franchisees. When

Franchisee selects a location for its Franchise Business, Franchisee must consider each of the factors described in this paragraph, while honoring Franchisor's core values. Franchisor does not represent that it or its Affiliate, owners or employees have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchise Business will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location.

5.1.1 If Franchisor determines, in its sole discretion, that sound business reasons exist to authorize or require Franchisee to operate additional Franchise Business within the Area of Primary Responsibility, Franchisor may approve or require one or more additional Franchise Business. If Franchisor requires Franchisee to operate an additional Franchise Business within the Area of Primary Responsibility, Franchisee must develop and begin to operate the additional Franchise Business (or Businesses) within a reasonable time, which will be specified in a written notice from Franchisor.

5.2 Failure to Select Site

Should Franchisee fail to select a site for the Franchise Business, which meets with Franchisor's approval within sixty (60) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated under this Section, Franchisor will **not** return to Franchisee the Franchise Fee paid by Franchisee. Franchisee will be required to present Franchisor a general release, the same as or similar to the General Release attached as Exhibit 2, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners and employees. Franchisee is not entitled to a refund. The non-refundable Franchise Fee is compensation to Franchisor for its efforts in offering and selling a franchise to Franchisee, Franchisor's marketing and sales activities to promote the sale of a franchise to qualified franchisees, Franchisor's participation in the franchise sale, Franchisor's legal compliance with franchise laws and regulations, site selection assistance and guidelines and the development and hosting of initial training programs and participation in terminating the franchise.

5.3 Lease of Approved Location

If Franchisee is to execute a lease for, or a binding agreement to purchase for, the Approved Location, Franchisee must obtain Franchisor's approval of the terms. Franchisor must not unreasonably withhold its approval. Franchisor's review of a lease or any advice or recommendation offered by Franchisor must not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisor must be entitled to require that nothing in the lease is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee must take all actions necessary to maintain the lease of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated may also be deemed a default hereunder and the time to cure the same should expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, under the terms of its standard collateral assignment of lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease may be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease may contain such provisions as Franchisor may reasonably require, including:

5.3.1 a provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest without payment of any assignment fee or similar charge and without any increase in rent or other fees upon termination or expiration of the Franchise grant. The lessor agrees that, before the effective date of any assignment of the lease to Franchisor (or its designee), Franchisee must be solely responsible for all obligations, debts and payments under the lease;

5.3.2 a provision expressly permitting the lessor of the premises to provide Franchisor all sales and other information lessor may have obtained or received relating to the operation of the Franchise Business, as Franchisor may request;

5.3.3 a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;

5.3.4 a provision requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises;

5.3.5 a provision permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks without being guilty of trespass, or other tort or other crime;

5.3.6 a provision stating that upon default of this Agreement, Franchisor or its nominee has the right to take possession of the premises and operate the Franchise Business;

5.3.7 a provision allowing Franchisor, upon expiration and non-renewal or termination of the lease or the Franchise Agreement, to enter the premises and remove any interior and exterior signs containing the Marks and trade fixtures; and

5.3.8 a provision stating that lessor must not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease described above without Franchisor's prior written consent.

5.4 Development of Franchise Business and Vehicles

5.4.1 Franchisor must make available to Franchisee, at no charge to Franchisee, copies of specifications for an office, vehicle and other equipment necessary for the operation of a The Glass Guru Business. Franchisee must cause the Franchise Business to be developed and equipped in accordance with such

requirements and specifications prior to, but no later than the Franchisee's initial training date, or 90 days after the execution date of the Agreement. In connection with the development of the Franchise Business, Franchisee must:

5.4.1.1 obtain all permits and licenses required for operation of the Franchise Business, and certify in writing that all such permits and certifications have been obtained;

5.4.1.2 purchase or lease a vehicle meeting Franchisor's specification and all other required equipment, and install such equipment in either the vehicle or Franchisee's office, as appropriate; The use of any vehicle other than those specified must be approved in writing by Franchisor.

5.4.1.3 purchase any supplies or inventory necessary for the operation of the Franchise Business, as specified in the Manual;

5.4.1.4 establish broadband or high-speed Internet access and obtain at least one (1) business telephone number solely dedicated to the Franchise Business;

5.4.1.5 purchase required number of mobile devices including mobile phones and tablets and establish wireless service connection(s) to the device(s) or mobile hotspot(s); and,

5.4.1.6 purchase and install all signs, furniture and office equipment and office supplies, including any required computer hardware and software, required for the management and administration of the Franchise Business and the maintenance and storage of the books and records of the Franchise Business.

5.5 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location within ninety (90) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated under this Section 5.5, Franchisee is not entitled to a refund. Franchisor will not return to Franchisee the Franchise Fee paid by Franchisee upon Franchisor's receipt of a general release, the same as or similar to the General Release attached as Exhibit 2, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners and employees. The Franchise Fee is compensation to Franchisor for its efforts in offering and selling a franchise to Franchisee, Franchisor's marketing and sales activities to promote the sale of a franchise to qualified franchisees, Franchisor's participation in the Franchise sale, Franchisor's legal compliance with franchise laws and regulations, site selection assistance and guidelines and the development and hosting of initial training programs and participation in terminating the Franchise.

5.6 Opening

5.6.1 Before opening the Franchise Business and commencing business, Franchisee must:

5.6.1.1 fulfill all of the obligations of Franchisee under the other provisions of this Section;

5.6.1.2 furnish Franchisor with copies of all insurance policies required by this Agreement, or by any lease (if applicable), or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

5.6.1.3 ensure that the Designated Manager has completed initial training to the satisfaction of Franchisor;

5.6.1.4 hire any other personnel necessary or required for the operation of the Franchise Business;

5.6.1.5 obtain all necessary permits and licenses;

5.6.1.6 If Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to include the prominent placement of the following notation regarding transfer restrictions on each certificate representing ownership in the entity: "The transfer of the shares or other ownership represented by this certificate is subject to the terms and conditions of a certain written franchise agreement entered into with The Glass Guru Franchise Systems, Inc." ; and

5.6.1.7 pay in full all amounts due to Franchisor.

5.6.2 Franchisee must comply with these conditions and must open and continuously operate the Franchise Business within ninety (90) days after the Effective Date. Time is of the essence.

5.7 Failure to Open

Should Franchisee fail to commence operations of the Franchise Business within ninety (90) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated under this Section, Franchisor will retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained is specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchise Business and must not be construed nor considered to be a penalty.

5.8 Use of Approved Location

Franchisee must not use the Approved Location for any purpose other than for the operation of Franchise Business in full compliance with this Agreement and the Manual, unless approved in writing by Franchisor.

5.9 Relocation of the Franchise Business

Franchisee must not relocate the Franchise Business without the prior written consent of Franchisor, which consent will not be unreasonably withheld or delayed. If the lease for the Approved Location expires or is terminated without the fault of Franchisee or if the Franchise Business's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may, in its reasonable discretion, allow Franchisee to relocate the Franchise Business. Any such relocation will be at Franchisee's sole expense and will proceed in accordance with the requirements described in Sections 5.1 through 5.8. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within ninety (90) days after the lease expires or is terminated or the Approved Location is rendered unusable, this Agreement will terminate as provided in Section 16.2.1.1.

5.10 Employee Agreements

Franchisee must require its employees and agents to sign such agreements and documents as Franchisor in its sole discretion deems necessary to maintain the confidentiality and proprietary nature of Franchisor's materials and documents.

5.11 Minimum Performance Requirements

The Franchise Business must achieve the minimum performance requirements specified in this Section ("Minimum Performance Requirements").

5.11.1 Minimum Performance Requirements. For the 1st through 4th years of operation of a Unit in the Area of Primary Responsibility, Franchisee must achieve annual Gross Sales of at least the following amounts: (i) $150,000 for the 1st year of operation; (ii) $200,000 for the 2nd year of operation; (iii) $250,000 for the 3rd year of operation; and (iv) $300,000 for the 4th year of operation. After a Franchise Business has been operating in the Area of Primary Responsibility for four years, for each subsequent year of operation Franchisee must: (A) achieve Gross Sales of at least $350,000; and (B) perform in the top 85% of all Franchise Business operating in the country of origin in the annual growth percentage of Gross Sales as determined by Franchisor. For purposes of this Section, a year of operation is the 12-month period beginning on the first date of operation of a Franchise Business in the Area of Primary Responsibility and each anniversary of that date. However, if the first date of operation of a Franchise Business in the Area of Primary Responsibility is not the first day of the month, a year of operation will be the 12-month period beginning on the first day of the calendar month after the first day of operation and each anniversary of that date. Except as provided in subsection 5.11.2, the time periods specified in this subsection begin on the date that a Franchise Business was first operated in the Area of Primary Responsibility, whether or not operated by Franchisee.

5.11.2 Exception. Notwithstanding the prior section, if Franchisee acquires a Franchise Business that includes an Area of Primary Responsibility (and/or portion thereof) of an existing or former Franchise Business (i.e. the Area of Primary Responsibility is "transferred" to Franchisee by another franchisee or the Area of Primary Responsibility granted to Franchisee had previously been the Area of Primary Responsibility or part of the Area of Primary Responsibility of a former Franchise Business), but there was no Franchise Business operating in that Area of Primary Responsibility for a period of six months or more at the time that Franchisee acquired the Franchise Business, then the time periods specified in the prior section will begin on the date that Franchisee begins operation of the Franchise Business.

5.12 Franchisor's Remedies Relating to Minimum Performance Requirements

If Franchisee fails to achieve the Minimum Performance Requirements for a year of operation, Franchisor may notify Franchisee of the failure. If Franchisee fails to achieve the Minimum Performance Requirements again the following year of operation or if Franchisee is not in compliance with the Minimum Performance Requirements at the time of renewal, then Franchisor may, by written notice to Franchisee, elect to:

A. Require Franchisee to enter into a performance improvement plan, which may include retraining;

B. Reduce the Area of Primary Responsibility (the reduced Area of Primary Responsibility will include the Franchised Business but will otherwise be determined by Franchisor in its sole discretion);

C. Offer to renew this Agreement at the end of its term based on a reduced-in-size Area of Primary Responsibility as determined by Franchisor in its sole discretion; and/or

D. Refuse to renew this Agreement at the end of its term.

E. The remedies in this Section are in addition to any other remedies of Franchisor under this Agreement.

## 6 PROPRIATARY MARKS

6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is non-exclusive and is limited to the conduct of business by Franchisee under, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created, must inure to the benefit of Franchisor. Franchisee must not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee must not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of

any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.1.1 Promise Not to Contest Validity or Ownership of Marks

Franchisee expressly promises that during the term of this Agreement and after the termination, expiration without renewal, or transfer of this Agreement, Franchisee will not, directly or indirectly, contest or aid in contesting the validity or ownership of the Marks. Immediately upon termination, expiration without renewal, or transfer of this Agreement, Franchisee will cease and desist from using the Marks and will return or destroy all documents, instructions, displays, paper products, and other materials and advertising items and the like bearing any of the Marks. Franchisee agrees not to interfere with, in any manner, or attempt to prohibit the use of the Marks by any other existing or future franchisee or other licensee of Franchisor. Whenever Franchisor requests, Franchisee agrees to sign any and all other papers, documents, and/or assurances to effectuate this purpose and agrees to fully cooperate with Franchisor and/or any other franchisee to secure the necessary and required consents of any governmental agency.

6.2 Limitations on Use

Franchisee agrees to use the Marks as its sole identification for the Franchise Business, except that Franchisee agrees to identify itself as an independent owner in the manner Franchisor approves. Except as otherwise explicitly authorized by this license or as Franchisor may otherwise authorize in writing, Franchisee may not use any Mark: (i) as part of any corporate or legal business name, (ii) with any prefix, suffix, or other modifying words, terms, designs or symbols, (iii) in selling any unauthorized services or products, (iv) as a part of or in connection with any Internet domain names, email addresses, websites, social media (such as Facebook, LinkedIn, Twitter, YouTube), blogs, vlogs (social videos), online social networks, wikis, forums, content sharing, or other Internet tools, or (e) in any other manner that Franchisor has not expressly authorized in writing. Franchisee may not use any Mark in advertising the transfer, sale, or other disposition of the Franchise Business or an ownership interest in the Franchisee without Franchisor's prior written consent, which Franchisor will not unreasonably withhold. Franchisee agrees to display the Marks prominently as Franchisor prescribes at its Franchise Business and on trucks, vans, forms, advertising, supplies, and any other materials Franchisor designates. Franchisee agrees to give the notices of trade and service mark registrations that Franchisor specifies and to obtain any fictitious or assumed name registrations required under applicable law. Franchisee must not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee should include on its letterhead, forms, cards and other such identification, and must display at any office location, a prominent notice stating that the Franchise Business is "Independently Owned and Operated".

6.3 Manner of Using Marks

Franchisee must operate the Franchise Business under the Marks and under no other name or mark. Franchisee and Franchisee's employees must use the Marks only in the manner authorized by Franchisor in the Manuals or otherwise in writing. The Marks must only be used with the letters "SM" or "TM" or ®, as appropriate, wherever the Marks are used. Franchisee will not use its name or any other name that Franchisor has not previously

approved in writing in connection with any of the Marks. This means, among other things, that Franchisee will not operate, be employed by, or otherwise be affiliated with another business at or adjacent to the Franchise Business, unless Franchisor, in its sole discretion, authorizes such operation, employment, or affiliation in writing. Franchisee understands that commingling the Marks with the names or Marks of others will injure the Marks and System and is grounds for termination of this Agreement

6.4 Goodwill

Franchisee acknowledges that valuable goodwill is attached to the Marks and that Franchisee will use the goodwill solely as Franchisor authorizes. Franchisee agrees to operate the Franchise Business using the Marks in accordance with the terms of this Agreement and the Manuals, as amended from time to time. Franchisee expressly acknowledges that any and all goodwill associated with the Marks, including any goodwill that might be deemed to have accrued through Franchisee's activities, inures directly and exclusively to Franchisor's benefit, except as otherwise provided in this Agreement or by law. Franchisee acknowledges and agrees that its use of the Marks and any goodwill established by that use does not confer any goodwill or other interests in the Marks upon Franchisee (other than the rights expressly conferred by this Agreement). All provisions of this Agreement relating to the Marks apply to any additional Marks Franchisor authorizes Franchisee to use.

6.5 Permitted Business Name

Franchisee and its affiliates must not use any part of any of the Marks or any words similar to any of the Marks in any trade name, corporate name, limited liability company name, partnership name, or any other name without Franchisor's prior written approval. Where required or permitted by applicable law, Franchisee may register as carrying on a business under the terms of this Agreement using as an assumed or fictitious name the name described in Section C of Exhibit 1. Franchisee and its affiliates must not use any part of the Marks or words similar to the Marks as a business name, except as Franchisor authorizes by written agreement.

6.6 Notification of Infringements and Claims

If Franchisee receives notice, or is informed, of any claim, demand, or suit against Franchisee on account of any alleged infringement, unfair competition, or similar matter relating to Franchisee's use of the Marks, Franchisee agrees to promptly notify Franchisor in writing of any such claim, demand, or suit. Franchisor will then take such action as Franchisor deems necessary and appropriate to protect and defend Franchisee against such claim by any third party. If Franchisee receives notice or is informed or learns that any third party, who Franchisee believes is not authorized to use the Marks, is using the Marks or any name or mark confusingly similar to the Marks, Franchisee must promptly notify Franchisor of the facts relating to such alleged infringing use. Franchisor will, in its sole discretion, determine whether or not it wishes to take any action against such third party on account of such alleged infringement of the Marks. If Franchisor undertakes the defense or prosecution of any litigation pertaining to any of the Marks, Franchisee agrees to sign any and all documents and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary to carry out such defense or prosecution. Franchisee does not have any right to, and must not itself, defend or prosecute the Marks.

6.7 Indemnification for Use of Marks

Franchisor may reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has timely notified Franchisor of such proceeding and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification must not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification must not apply to litigation between Franchisor and Franchisee where Franchisee's use of the Marks is disputed or challenged by Franchisor. This indemnification must not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

6.8 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee must comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor must not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.9 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchise Business, Franchisor and its designees have the right to enter and inspect the Franchise Business at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchise Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents must have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other inventory items offered for retail sale, or used in rendering services, to test whether such products or items meet Franchisor's then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchise Business and to interview and survey (whether in person or by mail) customers and employees. Franchisee and its employees must fully cooperate with Franchisor's representatives in conducting any such inspections and must provide Franchisor's representatives with any and all requested information, data, reports and documents requested by Franchisor's representatives and must provide Franchisor's representatives with copies of any requested documents or materials.

6.10 Franchisor's Sole Right to Domain Name

Franchisee must not advertise on the Internet using, and must not establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "THE GLASS GURU", or any variation. Franchisor is the sole owner of all right, title and interest in and to such domain names as Franchisor may designate in the Manual.

## 7 CONFIDENTIAL INFORMATION

### 7.1 Confidentiality

Franchisee acknowledges that Franchisor will disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Manuals, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee must not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchise Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) must not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) must maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) must not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) must adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee must enforce this Section as to its employees, agents and representatives and must be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

### 7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and must be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation must be due to Franchisee or its owners or employees therefor. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

7.3 Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among The Glass Guru franchisees if owners of The Glass Guru Business and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, unless otherwise authorized in writing by Franchisor, shall:

7.3.1 Divert or attempt to divert any business or customer of the Franchise Business or any other Franchise Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

7.3.2 Own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require Franchisee and any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 3, upon the signing of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee must provide Franchisor with copies of all nondisclosure and non-competition agreements signed under this Section. Such agreements must remain on file at the offices of Franchisee and are subject to audit or review as otherwise described in this Agreement. Franchisor must be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms described here, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

## 8 TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor will make an initial training program available to the Designated Manager and one (1) office assistant. Up to two (2) additional field or office assistants will also be allowed to attend the initial training program with Franchisor's prior authorization. Prior to the opening of the Franchise Business, the Designated Manager must attend and successfully complete, to Franchisor's satisfaction, an initial training program pertaining to operation of the Franchise Business including, but not limited to technical procedures, maintenance of quality standards; customer service techniques; sales and marketing methods; financial controls; record keeping and reporting procedures, and other operational items. Franchisor will conduct the initial training program at its headquarters or at another location designated by Franchisor. Franchisor will not charge tuition or similar fees for initial training; however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, will be the sole responsibility of Franchisee.

8.2 Technician Training & Certification Programs

After Franchisee's Designated Manager, one (1) office assistant and (2) additional authorized field or office assistants attend and successfully complete the initial training program in accordance with Section 8.1, should Franchisee hire additional window restoration technicians, each such technician must be properly trained prior to commencing operations to provide window restoration services for the Franchise Business. Such technician training must be conducted at either Franchisor's headquarters, Franchisee's location or at another location designated by Franchisor. For training at Franchisor's location, Franchisee must pay Franchisor's then-current standard rates for technician training programs. In addition, all expenses incurred by Franchisee's technicians in attending such programs including, but not limited to, travel costs, room and board expenses and employees' salaries, will be the sole responsibility of Franchisee.

8.3 Opening Assistance

In conjunction with the beginning of operation of the Franchise Business, Franchisor will make available to Franchisee, at Franchisee's expense, the option of at least one (1) of Franchisor's representatives, experienced in the System, for the purpose of providing general assistance and guidance in connection with the opening of the Franchise Business. If Franchisee requests any assistance with respect to the opening or continued operation of the Franchise Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee must pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

8.4 Failure to Complete Initial Training Program

If Franchisor determines that the Designated Manager is unable to satisfactorily complete the training program described above, Franchisee may be permitted to select a substitute Designated Manager and such substitute Designated Manager must complete the initial training to Franchisor's reasonable satisfaction within (30) days after the Franchisee's initial training date, and no more than ninety (90) days after the execution date of the Agreement. Franchisor may require Franchisee to pay Franchisor's then-current rates for additional training for providing initial training to the substitute manager. Franchisee must be responsible for all travel costs, room and board and employees' salaries incurred in connection with the new Designated Manager's attendance at such training.

If the Designated Manager or designated substitute manager fail to satisfactorily complete the training program described above prior to ninety (90) days after the execution date of the Agreement, Franchisor has the right to terminate this Agreement. If this Agreement is terminated under this Section, Franchisor will **not** return to Franchisee the Franchise Fee paid. Further, Franchisee is required to present Franchisor a general release, the same as or like the General Release attached as Exhibit 2, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners and employees. Franchisee is not entitled to a refund The Franchise Fee is reimbursement to Franchisor of the expense of its efforts in offering and selling a Franchise to Franchisee, Franchisor's marketing and sales activities to promote the sale of a franchise to qualified franchisees, Franchisor's participation in the Franchise sale, Franchisor's legal compliance with franchise laws and regulations, site selection assistance and guidelines and the development and hosting of initial training programs and participation in terminating the Franchise.

8.5 New Designated Manager

After beginning operations, should Franchisee name a new Designated Manager, Franchisee must notify Franchisor of the identity of the new Designated Manager and the new Designated Manager must complete the initial training program to Franchisor's satisfaction within sixty (60) days of being named. Franchisor may require Franchisee to pay Franchisor's then-current rates for additional training for providing initial training to the substitute manager. Franchisee must be responsible for all travel costs, room and board and employees' salaries incurred in connection with the new Designated Manager's attendance at such training.

8.6 Ongoing Training

From time to time, Franchisor may provide ongoing training programs or seminars during the term of this Agreement, and if it does, Franchisor has the right to require that the Designated Manager attend. Franchisor may charge a fee for any mandatory ongoing training. Franchisor will not require the Designated Manager to attend more than two (2) sessions in any calendar year and collectively not more than seven (7) days in any calendar year, including attendance at the Annual Convention. Franchisee will be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Designated Manager, or any other employees of the Franchise Business attendance at such training.

8.7 Annual Franchisee Convention

Franchisee or the Designated Manager must each year during the term of this Agreement attend any Annual Convention or conference for franchisees if Franchisor holds such a convention, conference or meeting of franchisees. Franchisor may charge a fee for attendance at the Annual Convention. The fee will be set each year by Franchisor based on the cost to hold the conference. The Annual Convention registration fee must be paid to Franchisor by Franchisee whether Franchisee or a Designated Manager attends the convention, conference or meeting or not. This provision does not obligate Franchisor to hold an Annual Convention of franchisees each year. If no Annual Convention is held, Franchisee will not be obligated to pay the Annual Convention registration fee. Franchisee must be responsible for all travel costs, room and board and employees' salaries incurred in connection with Franchisee or its managers' and employees' attendance at the Annual Convention.

8.8 Training and Performance Improvement Requirements

If the Franchise Business is performing unsatisfactorily (as determined by Franchisor in its sole discretion) in any of the areas listed below, or in another area that Franchisor determines to be material, Franchisor may require Franchisee, at Franchisee's expense, to: (a) attend training session specified by Franchisor; (b) visit another Franchise Business for a Performance Improvement Visit; (c) make a Performance Improvement Visit to Franchisor; (d) receive a Performance Improvement Visit from a Franchisor staff member; (e) participate in an ongoing performance improvement program; or (f) receive a Performance Improvement Visit from a third-party auditor or consultant. The following are examples of matters that are of material concern to Franchisor:

- Failing to meet the Minimum Performance Requirements;
- Suffering a below franchise system average growth rate;
- Failing to comply with paperwork procedures;
- Failing to adhere to OSHA Safety and Regulatory compliance requirements and other legal requirements relating to the Franchise Business;
- Failing to properly control risk or meet loss, safety, and other risk benchmarks specified by Franchisor;
- Failing to meet operations, signage, or truck requirements;
- Failing to meet systems benchmarks;
- Failing to maintain financials according to generally accepted accounting principles (GAAP);
- Customer satisfaction and referral rates that are below the franchise system averages, or other customer service issues;
- Behavior damaging to The Glass Guru® brand;
- Failing to adhere to The Glass Guru® core values;
- Failing to maintain accurate and timely operating system data;
- Failing to comply with policies and procedures or to meet benchmarks specified by Franchisor relating to National Accounts;
- Failing to follow the marketing best practices as outlined in the guides developed by Franchisor;
- Failing to timely report financial information as required in the Manuals;
- Failing to follow sales standard operating procedures as outlined by Franchisor;
- Failing to follow the training procedures as outlined by Franchisor;
- Failing to follow customer service procedures as outlined by Franchisor; and
- Performance in multiple areas that is below expectations, none of which on its own is unsatisfactory, but the combination of which results in a determination by Franchisor that the Franchise Business is performing unsatisfactorily.

If Franchisor requires Franchisee to attend a Franchisor approved training session, Franchisee must pay all travel and living expenses, as well as a fee to cover the cost of the training session. Franchisee must attend the training session within three months of receiving notice that Franchisor requires Franchisee to attend the training session. If Franchisor requires Franchisee to undertake one of the Performance Improvement Visit options, Franchisee will be responsible for all costs and expenses associated with the visit. Franchisee must complete the Performance Improvement Visit requirement in the time period determined by Franchisor. If the Performance Improvement Visit results in an action plan to improve performance in one or more areas, Franchisee must diligently implement the action plan by the dates specified in the plan.

# 9 MANUAL

## 9.1 Definition of Manuals

For purposes of this Agreement, The Glass Guru® Manuals ("Manuals") include, but are not limited to, the manuals entitled Operational Manual & Safety Manual, and all other written, electronic, video, and audio recorded policies, procedures, techniques, memos, bulletins, newsletter, forms, guides, guidelines, and other materials prepared by Franchisor in connection with the System or to assist Franchisee in the operation of the Franchise Business.

## 9.2 Obligation to Comply with All Company Policies and Procedures; Confidentiality of Manuals

To preserve and enhance the reputation and the goodwill associated with the System and Marks and to maintain uniform standards of operations throughout the entire franchise system, Franchisee must comply with all lawful policies and procedures Franchisor specifies from time to time in connection with the operation of the Franchise Business, even if Franchisee believes the policies and/or procedures as originally issued or subsequently modified, are not in the best interests of the System. These policies and procedures are contained in the Manuals. Franchisee will be given access to the currently existing Manuals after execution of this Agreement via Franchisor's Automation Systems and/or in another manner specified by Franchisor. The Manuals remain Franchisor's confidential property, must not be duplicated by Franchisee, and must be returned to Franchisor upon termination or expiration of this Agreement, or the transfer of Franchisee's Franchise Business. Franchisee must at all times ensure that its copies of the Manuals are kept current and up-to-date.

## 9.3 Loan by Franchisor

While this Agreement is in effect, Franchisor must lend to Franchisee, within eight (8) days of the Effective Date, one (1) copy of the Manual or grant Franchisee access to an electronic copy of the Manual. Franchisee must conduct the Franchise Business in strict accordance with the provisions described in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual must, at all times, remain the sole property of Franchisor and must promptly be returned to Franchisor upon expiration or termination of this Agreement.

## 9.4 Revisions

Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee must immediately, upon notice, adopt any such changes and must ensure that its copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters must be controlling.

9.5 Confidentiality

The Manuals and guides contains Trade Secrets and other Confidential Information of Franchisor and its contents must be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee must at all times ensure that its copy of the Manuals is in a current and up-to-date manner. If the Manual is in paper form or stored on computer-readable media, Franchisee must maintain the Manual in a secure manner in Franchisee's office; if the Manual is in electronic form, Franchisee must maintain the Manual in a password-protected file. Franchisee must only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination or passwords needed for access to the Manual. Franchisee must not disclose, duplicate or otherwise use any portion of the Manual in an unauthorized manner.

## 10 FRANCHISE SYSTEM

10.1 Uniformity

Franchisee must strictly comply and must cause the Franchise Business to strictly comply, with all requirements, specifications, standards, operating procedures and rules described in this Agreement, the Manuals or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technologies which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, equipment or signs. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor; provided, however, that Franchisee must not be required to make any expenditure which is unreasonably disproportionate to Franchisee's original investment to establish the Franchise Business. If such additional investment is required to be made in the last year of any term, Franchisee may avoid making the investment by providing notice of intent not to renew the Franchise unless the investment is in connection with a modification to the System required by law or court order. Franchisee acknowledges that any required expenditures for changes or upgrades to the System must be in addition to expenditures for repairs and maintenance as required in Section 13.3 of this Agreement.

10.3 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular The Glass Guru Business. Franchisor is not required to disclose or grant to Franchisee a like or similar variance under this Agreement.

## 11 ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Brand Identity Package

Franchisee must spend no less than FIVE THOUSAND DOLLARS ($5,000.00) prior to beginning operation of the Franchise Business on brand identity items to promote the services offered by the Glass Guru Business ("Brand Identity Package"). These items include, for example, store posters, displays, banners, trade show items, rack and other cards. Prior to their use, all materials to be used in Brand Identity Package must be approved by Franchisor through the process described in Section 11.2.3. Brand Identity Package expenditures will be in addition to any Local Advertising expenditures and Marketing Fee. Any variance must be approved in writing by Franchisor.

11.2 Local Advertising

11.2.1 In addition to Brand Identity Package, (see Section 11.1) Franchisee must continuously promote the Franchise Business. Each calendar year, Franchisee must spend the greater of five percent (5%) of the prior year's Gross Sales divided by the months of operation in the prior year, or minimum monthly local advertising expenditure of $1,250 ("Minimum Local Advertising Expenditure") on advertising, promotions, and public relations within the agreed upon Area of Primary Responsibility surrounding the Franchise Business ("Local Advertising"). Franchisee's Local Advertising expenditures will be in addition to any Marketing Fee paid to Franchisor. Local Advertising expenditures must be made directly by Franchisee to providers of advertising services, subject to the approval and direction of Franchisor. Franchisor will provide general guidelines to Franchisee for conducting Local Advertising. Franchisee must maintain accurate records and furnish to Franchisor upon request an accurate accounting of the expenditures on Local Advertising for any prior period. Any marketing activities conducted by Franchisee outside the Area of Primary Responsibility is prohibited unless approved in writing by the Franchisor, subject to all other terms and conditions of this Agreement.

11.2.2 At the conclusion of each calendar year, if it is determined that a Franchise Business spent less than the Minimum Local Advertising Expenditure on Local Advertising approved by Franchisor, the Franchise Business will incur a fee ("Local Advertising Penalty") payable to the Franchisor. The Local Advertising Penalty shall be equal to the difference between the Minimum Local Advertising Expenditure required and actual approved Local Advertising expenses incurred by the Franchise Business during the prior calendar year. Franchisor agrees to utilize these funds for general marketing purposes. Payment of any Local Advertising Penalty will be collected along with Royalties and Marketing Fees in the next royalty period following the assessment of this fee.

Each month, within 20 days of the Franchisee's submission date of the prior period's Gross Sales and approved Local Advertising expenses to Franchisor, Franchisor shall provide Franchisee with a report showing any surplus or shortfall applying to Local Advertising expenses incurred by the Franchise Business. Any surplus/shortfalls will be displayed month-by-month, as well as a year-to-date basis. Franchisee should be aware of any shortfalls in Local Advertising expenses and can take the opportunity to ensure that Local

Advertising expenditures are made before the end of the current year to avoid any subsequent Local Advertising Penalty.

11.2.3 Exclusive of approved material offered through our (internal) Marketing Store, Franchisee must submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, ad copy, coupons, flyers, scripts and direct mail. Franchisor must use reasonable efforts to provide notice of approval or disapproval within ten (10) business days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such ten (10) business day period, such materials must be deemed to have not received the required approval. Franchisee must not use any marketing or promotional material prior to approval by Franchisor. The submission of advertising materials to Franchisor for approval must not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services.

11.3 Marketing Fee

Some franchisees have older forms of agreement requiring such franchisees to contribute to our marketing fund. While you are NOT required to contribute to the marketing fund, one (1%) percent of your Marketing Fee will be allocated to the marketing fund until no older forms of agreement require contribution to the marketing fund.

Franchisor charges a Marketing Fee, as defined in Section 3.4. Franchisee is required to pay Marketing Fee on a monthly basis equal to three percent (3%) of the corresponding monthly Gross Sales. Marketing Fee Contributions must be made at the same time and in the same manner as Royalty Fees. Franchisor must notify Franchisee at least thirty (30) days before implementing or changing Marketing Fee Contribution requirements.

11.3.1 Franchisor will oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation of that marketing. Franchisor does not warrant that any particular franchisee must benefit directly or pro rata from expenditures by the Marketing Fee. The program(s) may be local, regional or System-wide.

11.3.2 Franchisee's Marketing Fee Contributions will be used to meet the costs of, or to reimburse Franchisor for its costs of, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing or hosting an Internet web page or site and similar activities; employing advertising agencies to assist; and providing promotional brochures and other marketing materials to franchisees). All Marketing Fee Contributions related to marketing fund contributions must be maintained in a separate account from the monies of Franchisor and must not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the marketing fund.

## 11.4 Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of The Glass Guru Business located within a particular region. Franchisor has the right to collect and/or designate that all or a portion of the Local Advertising be paid into a Cooperative Advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region. If a Cooperative Advertising program is implemented in a particular region, Franchisor has the right to require the members of the Cooperative to self-administer the Cooperative Advertising program, and to be governed by written documents approved by Franchisor. The Cooperative must be required to prepare annual financial statements and to make such statements available to Franchisor and the members of the Cooperative. Franchisee must participate in the Cooperative according to the Cooperative's rules and procedures and Franchisee must abide by the Cooperative's decisions. Should Franchisor establish a Cooperative Advertising program or programs, Franchisor has the right, but not the obligation, to change, dissolve or merge such program(s) at any time.

## 11.5 Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchise Business without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator www.theglassguru.com that provides information about the System and the services that Franchisor and its franchisees provide. Franchisor may (but is not required to) include an independent stand-alone website containing information about the Franchise Business linked from The Glass Guru website. If Franchisor includes such information on The Glass Guru Franchise Business website, Franchisor has the right to require Franchisee to prepare all or a portion of the content, at Franchisee's expense, using a template that Franchisor provides. All such information must be subject to Franchisor's approval prior to posting. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and must be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor has the sole right to approve any linking to, or other use of, The Glass Guru website and The Glass Guru Franchise Business website.

### 11.5.1 Use of Websites, Social Media and other Internet Tools.

Franchisee acknowledges that use of the websites, social media, such as Facebook, LinkedIn, Twitter, YouTube, blogs, vlogs (social videos), online social networks, wikis, forums, content sharing communities, etc., and other Internet tools in connection with the operation, advertising, and marketing of the Franchise Business are subject to the trademark, advertising, marketing, and other requirements of this Agreement and the Manuals. Franchisee must comply with any policies of Franchisor relating to use of websites, social media, social media advertising, and other Internet tools.

11.6 Telemarketing

Franchisee and any telemarketers employed or utilized by Franchisee must comply with any applicable "no call" or "do not call" and "home solicitation sales" laws or any other laws governing or affecting telemarketers to the extent Franchisee uses telemarketing to advertise and promote the Franchise Business.

11.7 Required Advertising on Glass Trucks and Other Business Vehicles

Each glass truck and other business vehicle must display The Glass Guru ® Mark and any other of the Marks as Franchisor determines in accordance with marketing policy.

11.8 General Limitations on Advertising and Marketing

Franchisee may not authorize advertising or advertise outside the Area of Primary Responsibility as described in Franchisor's policies.

11.9 Present and Future Advertising Policy May Limit Franchisee's Right to Advertise

Franchisee acknowledges that Franchisor has developed and will continue to develop advertising/marketing policies regarding the methods and manner of advertising in various media and that Franchisee is obligated to comply with all advertising policies. Franchisee understands that existing and/or future advertising policies may limit or eliminate Franchisee's right to use telephone numbers and/or Internet website addresses in advertising placed on Franchisee's vehicles and/or elsewhere. Franchisee also understands that existing and/or future policies may otherwise limit Franchisee's ability to advertise in a particular manner. Such limitations, when established, are established for the benefit of all the franchise system's customers and/or to establish reasonable rules to govern the actions between franchisees.

11.10 Agreement to Comply with Franchisor Policy

Franchisee acknowledges and agrees that it is required to comply fully with Franchisor's advertising/marketing policies, which are set forth in writing and available to Franchisee via the manuals or in another manner specified by Franchisor.

11.11 Agreement to Comply with Modifications and Changes to Franchisor Policy

Franchisor, in its sole discretion, reserves the right to modify or change its marketing and advertising policies, and Franchisee is obligated to comply with them (and all other policies), whether or not Franchisee believes such policies will benefit it.

11.12 No False Advertising

Franchisee will make no misrepresentations or material omissions in any of its advertisements.

11.13 Advertisements Produced by 3rd Parties

Franchisor does not, by virtue of its approval of any proposed advertisement or promotional material produced by 3rd parties, assume any responsibility for the contents of the advertisement. Franchisee agrees to indemnify and save harmless Franchisor from any claims, demands, liability, costs and expenses that Franchisee suffers arising from the use of any such advertisement or promotional material.

11.14 Franchisor Remedies for Displaying Unapproved or Unauthorized Advertising

Except in the case of a minor violation that can be immediately cured (as determined in Franchisor's sole discretion) Franchisor may seek remedies, including injunctive relief barring Franchisee from its ongoing advertising violations, assignment of Franchisee's telephone numbers to Franchisor, or other relief, up to and including termination of the Franchise Agreement.

## 12 ACCOUNTING RECORDS AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee must maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing, and in accordance with generally accepted accounting principles. Franchisee must retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchise Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

12.1.1 Providing Business Information to Franchisor; Customer Lists

Franchisee will supply Franchisor with such records, reports, and other information about Franchisee and the Franchise Business (in addition to that otherwise provided for in this Agreement) as Franchisor may require. It is hereby agreed and understood that the customer lists of the Franchise Business are and will remain Franchisor's property. Franchisee acknowledges and agrees that the records and reports that Franchisee may be required to provide to Franchisor may not be uniformly imposed on all franchisees. Differences in required records and reports may be based on the Franchisee's experience, the demographics of the Area of Primary Responsibility, the density of the population, and other reasonable factors.

12.2 Monthly Reports

Franchisee must provide to Franchisor monthly reports pertaining to Franchisee's Gross Sales and such other additional information specified by Franchisor in monthly report forms or formats specified by Franchisor in the Manuals (currently provided to Franchisor through ServiceBridge software system). Monthly Royalty Reports for each calendar month must be

provided on or before the 10th day following the end of that calendar month. Franchisee must provide additional monthly reports specified by Franchisor in the Manuals (e.g. routine month-end close financial entries in line with generally accepted accounting principles) on or before the 20th day following the end of that calendar month. These reports must be provided in the manner specified by Franchisor (which may include Franchisor directly accessing the information on the software systems). Franchisor can share information in these reports with other franchisees in the ordinary course of Franchisor's business as a tool to improve the franchise system's volume of business.

12.2.1 Separate Reporting for each Franchise Business

If Franchisee operates more than one Franchise Business, Franchisee must, if specified by Franchisor, provide separate accounting reports for each Franchise Business. This includes balance sheets and income (profit and loss) statements as well as any other accounting reports specified elsewhere in this Agreement.

12.2.2 Consequences of Failure to Timely and Accurately Reporting

If Franchisee fails to transmit reports, records, or other information to Franchisor in the manner, at the times, and in the formats specified by Franchisor, or fails to timely close jobs and process open jobs or fails to provide accurate information, Franchisee will incur a charge of $50 for each day that data is not transmitted. The liquidated damages charge will cover expenses Franchisor incurs to collect this data. If a documented technology failure prevents electronic transmittal of the data, or some other bona fide emergency occurs preventing electronic transmittal of the data (as Franchisor determines in its sole discretion), the liquidated damages charge will not be imposed.

12.3 Financial Statements

12.3.1 Franchisee must, at its expense, submit to Franchisor within ninety (90) days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements must be prepared in accordance with generally accepted accounting principles applied on a consistent basis. If required by Franchisor, such financial statements must be reviewed or audited by a certified public accountant.

12.3.2 Franchisor also reserves the right that Franchisee supply to Franchisor, upon Franchisor's request, on or before the tenth (10th) day of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date.

12.3.3 Franchisee must submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing.

12.4 Other Reports

Franchisee must submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor has the right

to release financial and operational information relating to the Franchise Business to Franchisor's lenders or prospective lenders, or to use or disclose such information in an earnings claim created in connection with the sale of The Glass Guru Franchises. Franchisee must certify as true and correct all reports to be submitted under this Agreement.

12.4.1 Operational Information

Franchisee agrees to provide to Franchisor, as and when requested, operational information relating to the Franchise Business, whether of a financial nature or otherwise, including but not limited to: business organizational charts; corporate or company organizational charts; information on all management employees; federal and state operating authorities, and all changes and additions to the operating authorities.

12.5 Computer, Point-of-Sale, and Accounting Systems

Franchisee must purchase, install and use computer, point-of-sale, and accounting systems consisting of hardware and software that is in accordance with Franchisor's specifications, including, but not limited to software installed locally at the Franchise Business location, cloud-based business applications, or other proprietary software. There are monthly subscription fees for some of these systems.

Franchisor must have full access to all of Franchisee's computer, point-of-sale, and accounting systems and all related data. This information must be available by means of direct access, either in person or by telephone, modem or Internet, as to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement.

Within forty-eight (48) hours from initial customer contact, Franchisee is required to enter customer contact information – e.g. full name, address, phone number and e-mail address. Franchisee's account will be reviewed monthly. Should Franchisee fail to enter customer information during three (3) or more occasions (three consecutive or non-consecutive months) during any calendar year, franchisee must be required to obtain and present to Franchisor a year-end audited financial statement for the year the breach occurred. The audited financial statements are required to be prepared by an independent account firm and presented within 90 days post years-end. Franchisor may charge a one hundred seventy-five dollar ($175.00) administrative fee for each month in which Franchisee fails to enter customer data by the due date.

12.6 Right to Inspect

Franchisor, itself or through its designee, has the right, at any time during the term of this Agreement or upon termination or expiration of this Agreement, to inspect, examine, copy and audit, the books, records and tax returns of Franchisee's operation of Franchise Business, as well as tax returns for any person or entity holding a material interest in the Franchise Business. This may be accomplished by entering upon the premises of the Franchise Business during business hours, by requiring Franchisee to electronically provide require records or in any other manner designated by Franchisor. Franchisee must cooperate fully with such audit and inspection. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee must immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower). If the inspection discloses an

underpayment of three percent (3%) or more of the amount due for any period covered by the audit, or if the inspection is conducted due to Franchisee's failure to submit required reports and records, Franchisee must, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies must be in addition to any other remedies Franchisor may have.

12.7 Release of Records

At Franchisor's request, Franchisee must authorize and direct any third parties, including accounting professionals and suppliers to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchise Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee must execute all documents necessary to facilitate the release of records referenced here to Franchisor.

12.8 Chart of Accounts; Central Accounting Office

Franchisee must use the standard "chart of accounts" as specified by Franchisor and must have its chart of accounts approved by Franchisor before Franchisee begins operation of the Franchise Business. If Franchisee and its affiliates operate multiple Franchise Businesses and have a central accounting office for those Franchise Businesses, Franchisor may require Franchisee and its affiliates to store all business records at the central accounting office.

## 13 STANDARDS OF OPERATION

13.1 Authorized Products, Services and Suppliers

13.1.1 Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services and products to its customers. Accordingly, Franchisee must provide or offer for sale or use at the Franchise Business only those products, supplies, signs, equipment, components and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services must be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor). Franchisee must not offer for sale, sell or provide through the Franchise Business any services or products that Franchisor has not approved or has disapproved.

13.1.2 Franchisor must provide Franchisee, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment, components and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor is an Approved Supplier of products or supplies, Franchisee must execute a standard form purchase or

supply agreement for the items to be supplied by Franchisor. If Franchisee desires to utilize any services or products that Franchisor has not approved (for services and products that require supplier approval), Franchisee must first send Franchisor at its expense sufficient information, specifications and samples (if required) for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisor will decide within a reasonable time (usually thirty [30] days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section must be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

13.1.3 Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee or the supplier. Franchisee must, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and must promptly cease purchasing from suppliers disapproved by Franchisor.

13.1.4 Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to allow one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors described in Section 10.3 and must not create any rights in Franchisee to provide the same products or services.

13.1.5 While Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing, approval or specification of suppliers, Franchisor may pass on a portion of these benefits to franchisees. Franchisor must keep a portion of any such benefits to compensate it for the administrative costs of the purchasing program.

13.2 <u>The Glass Guru Restoration Tools and Products</u>

13.2.1 Franchisor and its Affiliate have designed, developed and/or acquired and continue to design and develop certain window restoration tools, equipment and products, and other items especially suited for use in the operation of The Glass Guru Business ("The Glass Guru Restoration Tools"). In order to maintain the consistency, quality and uniformity of the System, Franchisor shall make The Glass Guru Restoration Tools available to Franchisee in reasonable quantities in accordance with the procedures for ordering, handling and shipping that Franchisor may determine periodically, provided that Franchisee is in compliance with the Franchise Agreement and all other agreements with Franchisor.

13.2.2 Franchisee acknowledges and agrees that The Glass Guru Restoration Tools developed and/or acquired by Franchisor and its Affiliate are distinctive as a result of being developed under Franchisor and its Affiliate's experience and are inextricably interrelated with the Marks. Franchisee agrees to order and purchase all of its requirements of The Glass Guru Restoration Tools exclusively from Franchisor or a supplier designated by Franchisor. Franchisee agrees to, at all times, maintain an inventory of The Glass Guru Restoration Tools as necessary to operate the Franchise Business at full capacity.

13.2.3 Franchisor commits to provide The Glass Guru Restoration Tools supplied by Franchisor at competitive prices; however, Franchisee acknowledges that Franchisor has the right to earn a reasonable profit on the sale of its The Glass Guru Restoration Tools.

13.3 Appearance and Condition of the Franchise Business

Franchisee must maintain the Franchise Business, and the vehicle, equipment and signage used in connection with the Franchise Business in an attractive and safe condition and in good maintenance and repair and in compliance with the standards specified by Franchisor in the Manuals or otherwise, and as necessary to comply with health and safety standards and any applicable laws or regulations. The expense of such maintenance must be borne by Franchisee and must be in addition to any required System modifications, as described in Section 10.2. If at any time, in Franchisor's sole discretion, the general state of repair, appearance, or cleanliness of the Franchise Business or the vehicles, equipment, fixtures, or signs of the Franchise Business does not meet Franchisor's standards, Franchisor may notify Franchisee in writing, specifying the action to be taken by Franchisee to correct the deficiency. Franchisee must initiate the specified action within 30 days after receipt of the notice and diligently proceed to complete the specified action. If Franchisee fails to do so, then Franchisor will have the right, in addition to its other rights under this Agreement, to enter the Franchise Business and cause the specified action to be taken on behalf of Franchisee and Franchisee must pay the entire cost to Franchisor.

13.4 Ownership and Management

The Franchise Business must always be under the direct supervision of Franchisee. The Designated Manager must devote sufficient efforts to the management of the day-to-day operation of the Franchise Business, but not less than thirty (30) hours per week, excluding vacation, sick leave and similar absences. Franchisee must keep Franchisor informed, in

writing, at all times of the identity of its Designated Manager. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

13.5 Obligation to Personally Supervise and Manage Day-to-Day Operations

Franchisee, or a Designated Manger approved in writing by Franchisor if Franchisee is a corporation, limited liability company or other legal entity, must personally supervise the day-to-day operation of the Franchise Business at all times and personally exercise his or her best efforts to market the products and services of the Franchise Business. Franchisor reserves the right to approve any designated manager to whom Franchisee delegates any substantial portion of this responsibility. Franchisor has the right to require the designated manager to successfully complete Franchisor's training program as a condition to approval of the designated manager.

13.6 Days of Operation

Franchisee must keep the Franchise Business open for business during normal business hours on the days specified in the Manuals.

13.7 Franchise Business Staff

The Franchise Business must be staffed with sufficient personnel to provide optimum services as specified in the manual.

13.8 Only Franchisee Has the Right to Control Employees

Franchisor does not control, and does not have the right to control, Franchisee's decisions regarding hiring, disciplining, or terminating Franchisee's employees or agents. Franchisor does not control or have the right to control Franchisees other day-to-day business activities. Even so, Franchisor may take any legal action necessary to enforce its rights under this Agreement and to protect and preserve the System and Franchisor's policies and procedures.

Because of the nature of the Franchise Business, Franchisor's policies may include hiring standards for Franchisee's employees that may require performing background checks and drug testing as allowed by law. Also, Franchisor may provide Franchisee with employee leads or applicant lead resources. These policies and services will not constitute Franchisor's representation or approval of any prospective employees and Franchisor will not have any liability to Franchisee or others in connection with those prospective employees. Except as described above, Franchisor's policies do not include any employee policies and procedures for Franchisee. Franchisor will not control and will not be responsible for Franchisee's payroll or other employment related matters regardless of any information that Franchisor may provide in the Manuals or otherwise. In all cases, Franchisee will remain solely responsible for employment related decisions and obligations, including decisions regarding hiring and maintaining employees and determinations of whether prospective employees meets hiring and performance standards or are suitable for the employment position. Franchisee must indemnify and hold harmless Franchisor from and against any liability relating to or arising from employment related decisions and obligations, including but not limited to labor and employment law violations by Franchisee and Franchisee's employees.

13.9 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization).

13.10 Licenses and Permits

Franchisee must secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchise Business and must operate the Franchise Business in full compliance with all applicable federal, state, county, municipal or other statutes, laws, ordinances and regulations, rules or orders applicable to the Franchise Business , including but not limited to state and federal labor and employment laws, such as the Fair Labor Standards Act (FLSA), Family and Medical Leave Act (FMLA), Occupational Safety and Health Act (OSHA), Employee Retirement Income Security Act (ERISA), Title VII, the Age Discrimination in Employment Act, and the Affordable Care Act. Franchisee must promptly pay all payroll and business taxes, fees and expenses, and any and all other amounts required by law. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchise Business. Franchisee must be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchise Business.

13.11 Notification of Proceedings

Franchisee must notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchise Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchise Business not more than five (5) days after Franchisee receives notice of any such commencement or issuance. Franchisee must deliver to Franchisor not more than five (5) days after Franchisee's receipt of that notice, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.12 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created. Therefore, Franchisee must endeavor to maintain high standards of quality and service in the operation of the Franchise Business. Franchisee must at all times give prompt, courteous and efficient service to customers of the Franchise Business. The Franchise Business must in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor

deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisor has the right to terminate this Agreement for violation of this Section. Franchisee must reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchise Business under this Section.

13.13 Obligation to be Governed by Highest Ethical Standards and to Comply with All Laws and Regulations

Franchisee acknowledges that every component of the System is important to Franchisor and to the operation of the Franchise Business. Franchisee must at all times operate the Franchise Business in a competent manner and in full compliance with all aspects of the System specified by Franchisor. In all business dealings with the public and with Franchisor, Franchisee will be governed by the highest standards of honesty, integrity, fair dealing, and ethical conduct and act at all times to support and grow the System. Franchisee must not engage in any activity or practice that results in or may reasonably be anticipated to result in damage to Franchisor's business reputation or result in or reasonably be anticipated to result in any public criticism of the System or Marks. Franchisee will not use or engage any federal, state, or local law, regulation, court or tribunal to retard or prevent another franchisee or prospective franchisee of the System from obtaining a license or authority to operate as a household goods mover or in any other capacity authorized by this Agreement. Franchisee acknowledges that such violations will be good cause for immediate termination of this Agreement.

13.14 Disputes Arising with Third-Parties

If Franchisor becomes aware of a bona fide dispute between Franchisee and one or more customers and/or other third parties regarding the Franchise Business, Franchisor may, in its sole discretion, undertake one or more of the following options:

take no action, except to direct the Franchisee to resolve the dispute in a manner that will not cause injury to the reputation of the Marks and The Glass Guru® franchise system;

assist the parties in the resolution of the dispute, if Franchisor in its sole discretion, determines that it can constructively do so; and/or

if Franchisor determines in its sole discretion that Franchisee cannot or will not resolve the dispute, and that such failure to resolve it has or is reasonably likely to cause damage to the Marks and/or The Glass Guru franchise system's business reputation, then upon notice to Franchisee, Franchisor may resolve the dispute directly with the third-party by payment of damages alleged and supported by documentary evidence by the third-party, including attorney's fees, and Franchisee agrees to indemnify Franchisor for all such payments. If Franchisor pays such damages to a third-party, Franchisor will invoice Franchisee for the damages paid, and payment from Franchisee will be due to Franchisor within fourteen (14) days from the date of invoice. In Franchisor's sole discretion, it may consult a designated franchisee group to provide it with an advisory opinion regarding resolution of the dispute, although Franchisor will not be obligated to comply with the advice of the designated franchisee group. If Franchisor consults with a designated franchisee group, it will provide the designated group with the facts and circumstances of the dispute, but Franchisor will not provide it with the identity of any of the parties to the dispute.

13.15 Uniforms

Franchisee must abide by any uniform requirements stated in the Manual. Uniforms must be purchased from Franchisor's marketing store, unless otherwise approved in writing by Franchisor.

13.16 Credit Cards

Franchisee must, at its expense, lease or purchase the necessary equipment or software and must have arrangements in place with Visa, MasterCard, Discover, American Express or such other credit card issuers as Franchisor may designate, from time to time, to enable the Franchise Business to accept such methods of payment from its customers. Franchisee must use such credit card processing and clearing house services as Franchisor specifies in the Manual.

13.16.1 Credit Card Payment; PCI Compliance.

Franchisee must make available at its Franchise Business credit card services that enable all customers to pay for approved services with a valid credit card, so long as the credit card has sufficient credit to cover payment of the approved services. Franchisee must not charge an additional fee or a different price for products or services if the customer pays with a valid credit card. Franchisee must comply with the Payment Card Industry ("PCI") Data Security Standard ("DSS") Requirements and Security Assessment Procedures and other applicable PCI requirements ("PCI Requirements") in connection with the Franchise Business. It is Franchisee's responsibility to research and understand the PCI Requirements and to ensure that its business policies and practices comply with the PCI Requirements. Although Franchisor may provide advice and/or specify or provide POS Systems or business software, Franchisor does not represent or warrant that those systems or software comply with the PCI Requirements and it will be the sole responsibility of Franchisee to ensure that its business practices comply with the PCI Requirements.

13.17 E-Mail

Franchisor will provide Franchisee with e-mail addresses for Franchise Business purposes as expressed in the Manual. Franchisee may not change its e-mail addresses unless approved in writing by Franchisor. Should Franchisor, in its sole discretion, implement an e-mail system (e.g. Google G-Suite), Franchisee will incur a monthly fee for each e-mail user account.

13.17.1 Centralized Email

If specified by Franchisor, Franchisee must use a centralized email system maintained by Franchisor. Franchisee may be charged fees for use of the email system in accordance with policies specified by Franchisor.

13.18 Participation in Call Center

Franchisor may provide or have a third-party provide call center services for its franchisees, which may include responding to afterhours phone calls and emails and/or responding to calls and emails during business hours in certain circumstances or other similar services. Franchisor may require Franchisee to participate in these services and to pay a proportionate share of the costs of these services or a reasonable charge for these services.

13.19 Best Efforts

Franchisee must use its best efforts to promote and increase the sales and recognition of services offered through the Franchise Business. Franchisee must require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System.

13.20 Automation Systems

Franchisee must use the Automation Systems specified by Franchisor in the operation of the Franchise Business (the "Automation Systems"). The Automation Systems may include proprietary computer systems (including specified hardware and software), accounting applications, credit card systems, learning management system (LMS), the Extranet, marketing automation system, mobile technology solutions, unified communications system, online training programs, telephone systems, call center systems, email, Internet access and other communication methods, secure websites, networks, and other or different components that may be designated by Franchisor. As a condition to using the Automation Systems, Franchisee must agree to comply with the terms of use specified by Franchisor. Franchisee must keep accurate Automation Systems user accounts for its employees and must either notify Franchisor or make any necessary updates in the Automation Systems of any user account changes or employee status changes within two business days. Franchisee must employ other adequate measures to secure the Automation Systems and the information contained in the Automation Systems, as specified by Franchisor or any applicable Designated or Approved Supplier.

If Franchisor has not yet specified a particular system and/or Designated or Approved Supplier of a system as part of the required Automation Systems, Franchisee must obtain approval from Franchisor before obtaining the system or transitioning to a new system or Designated or Approved Supplier of the system. Current examples of systems in this category are telephone systems and call center systems. If Franchisor specifies these or other systems as part of the Automation Systems in the future, Franchisee must use the systems, and/or Designated or Approved Suppliers specified by Franchisor.

13.21 Proprietary Computer Systems

Franchisee must acquire and use the computer systems Franchisor specifies for the operation of the Franchise Business. In addition, Franchisor may develop computer systems and specifications for certain components of the computer systems in the future and may modify such specifications and the components of the computer systems. As part of the computer systems, Franchisor may require Franchisee to obtain, update, and use specified computer hardware and/or software including, without limitation, a license to use proprietary software developed by Franchisor or others. Modification of the specifications for the components of the computer systems may require Franchisee to incur costs to purchase, lease, and/or

license new or modified computer hardware and/or software and to obtain service and support for the computer systems during the term of this Agreement. All such computer systems must be compatible with Franchisor's computer systems as modified from time to time, must be connected to Franchisor's facilities by high speed Internet, and must be updated, maintained, and used in compliance with Franchisor's specifications. Franchisor may require Franchisee to electronically upload or transmit information on a periodic basis (including daily).

### 13.22 Franchisor Access to and Use of Information

Franchisor will have the right to independently access sales information and other data produced by the Automation Systems and there are no contractual limitations on Franchisor's right to access and use that information and data, even if the data is maintained by a third party. Franchisee must provide Franchisor access to the information on the Automation Systems in the manner specified by Franchisor and must supply Franchisor with any and all security codes necessary to obtain such access. Franchisee agrees that Franchisor will not be liable to Franchisee for any claims, losses, or damages arising from or related to Franchisor's access to or use of the information and other data produced by the Automation Systems, including but not limited to any errors or omissions in the information and other data obtained by Franchisor or in the information and other data shared by Franchisor with third parties (including other franchisees or prospective franchisees). Franchisee waives and releases Franchisor from any such liability.

### 13.23 Certain Telephone Technology Prohibited

Franchisee is not permitted to use "roll over" or "hunt" telephone line system technology where Franchisee and/or its Affiliates operate multiple Franchise Businesses without the written consent of Franchisor.

## 14 FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTENCE

### 14.1 General Advice and Guidance

Franchisor must make a reasonable effort to discuss problems and offer general guidance to Franchisee by telephone, e-mail, intranet, or other methods with respect to planning, opening and operating the Franchise Business. However, Franchisee must use its independent judgment to make all business decisions and should not rely solely upon any advice given or statements made by Franchisor. Franchisor must not charge for this service; however, Franchisor retains the right to refuse or charge a fee for this service should Franchisor deem Franchisee to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating The Glass Guru Business and an analysis of costs and prices charged for competitive products and services. Franchisee must have the sole right to determine the prices to be charged by the Franchise Business.

14.2 Periodic Visits

Franchisor or Franchisor's representative may, but is not required to, make periodic visits, which may be announced or unannounced, to the Franchise Business for the purposes of inspection, consultation, assistance or guidance with respect to various aspects of the operation and management of the Franchise Business. Franchisor and Franchisor's representatives who visit the Franchise Business may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchise Business. A copy of any such written report may be provided to Franchisee. Franchisee must implement any required changes or improvements in a timely manner.

14.3 System Improvements

Franchisor must communicate improvements in the System to Franchisee as such improvements are developed or acquired by Franchisor and implemented as part of the System.

14.4 Marketing and Promotional Materials

Franchisor may periodically provide advertising and promotional materials including ad-slicks, brochures, fliers and other materials or logoed items to Franchisee for use in the operation or promotion of the Franchise Business.

## 15 INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, prior to initial training, but no later than ninety (90) days of the Effective Date, and in no event later than the commencement of operations Franchisee must procure and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers' compensation insurance) must expressly name Franchisor as an additional insured or loss payee and all must contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee must procure:

15.1.1 "Special Form" (all risk) property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies, and leasehold improvements and betterments and other property used in the operation of the Franchise Business at full replacement cost;

15.1.2 Workers' compensation insurance that complies with the statutory requirements of the state in which the Franchise Business is located and employer liability coverage with a minimum limit of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) or, if higher, the statutory minimum limit as required by state law;

15.1.3 Comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Franchise Business, or Franchisee's conduct of business under this Agreement, with a minimum liability coverage of ONE MILLION DOLLARS ($1,000,000.00) per occurrence or higher if required by landlord or other lease agreements;

15.1.4 Automobile liability insurance for company owned, leased or hired vehicles, if applicable, with a combined single limit of at least ONE MILLION DOLLARS ($1,000,000.00); and

15.1.5 Such insurance as necessary to provide coverage under the indemnity provisions described in Section 15.1.

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies must be written by an insurance company approved by the state insurance department in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide. Although A.M. Best groups "A" and "A-" in the same classification, Franchisor demands an "A" rating.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies must not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor must Franchisee's performance of this obligation relieve it of liability under the indemnity provisions described in Section 21.3. Franchisee must provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificates must state that said policy or policies must not be canceled or altered without at least thirty (30) days prior written notice to Franchisor.

15.5 Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such

insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, must be payable by Franchisee immediately upon notice.

## 16 DEFAULT AND TERMINATION

### 16.1 Termination by Franchisee

If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within thirty (30) days after receiving written notice identifying the claimed breach, Franchisee has the right to terminate this Agreement unless the breach cannot reasonably be cured within such thirty (30) days. If the breach cannot reasonably be cured in such thirty (30) days, Franchisee has the right to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts.

### 16.2 Termination by Franchisor

16.2.1 Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

16.2.1.1 fails to timely select an approved site for or establish, equip and commence operations of the Franchise Business under Section 5.

16.2.1.2 fails to have its Designated Manager satisfactorily complete the initial training program under Section 8.1;

16.2.1.3 made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

16.2.1.4 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchise Business;

16.2.1.5 discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual or any Trade Secret or other Confidential Information;

16.2.1.6 if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households given access to confidential information or trade practices), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 3, upon the signing of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and

non-competition agreements signed under Section 7.4 if requested by Franchisor;

16.2.1.7 abandons, fails or refuses to actively operate the Franchise Business for five (5) or more consecutive days (unless the Franchise Business has not been operational for a purpose approved by Franchisor) or, if first approved by Franchisor, fails to promptly relocate the Franchise Business following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable;

16.2.1.8 surrenders or transfers control of the operation of the Franchise Business, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner, as required;

16.2.1.9 fails to maintain the Franchise Business under the primary supervision of a Designated Manager during the one hundred eighty (180) days following the death or incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee under Section 18.7;

16.2.1.10 is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part of that is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; if a suit to foreclose any lien or mortgage against its property or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed;

16.2.1.11 misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

16.2.1.12 fails on three (3) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fee, amounts due for purchases from Franchisor, or other payment when due to Franchisor, whether or not such failures to comply are corrected after notice is delivered to Franchisee;

16.2.1.13 violates any health or safety law, ordinance or regulation, or operates the Franchise Business in a manner that presents a health or safety hazard to its customers, employees or the public;

16.2.1.14 engages in any activity exclusively reserved to Franchisor;

16.2.1.15 fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;

16.2.1.16 repeatedly breaches this Agreement and/or repeatedly fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured; or

16.2.1.17 under any other agreement between Franchisor and Franchisee, such that Franchisor, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

16.2.2 Except as otherwise provided in Section 16.2.1, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and must continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within ten (10) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

16.2.2.2 within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or

16.2.2.3 within thirty (30) days of receiving notice of Franchisee's failure to achieve acceptable status on other compliance requirements; or

16.2.2.4 within thirty (30) days of receiving notice of Franchisee's failure to use and cooperate in the use of operating systems and tools provided by Franchisor to improve the Franchise Business and/or the franchise system as a whole; or

16.2.2.5 within thirty (30) days of receiving notice of Franchisee's failure to regularly attend and actively participate in required conference calls, or meetings, conventions, and other events sponsored or suggested by Franchisor to increase the chance of success and/or maximize the performance of the Franchise Business and/or the franchise system as a whole; or

16.2.2.6 within thirty (30) days of receiving notice of Franchisee's failure to embrace new programs and business building initiatives developed for the enhancement of the performance of the Franchise Business; or

16.2.2.7 within thirty (30) days of receiving notice of Franchisee's regularly acting in a combative or confrontational manner with vendors, customers, or other franchisees; or

16.2.2.8 within thirty (30) days of receiving notice that Franchisee has had an excessive number of customer complaints and/or has not acted reasonably

and in the best interests of the franchise system in resolving customer complaints.

16.2.2.9 within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing;

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination under Section 16.2.2, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any services or products for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach.

16.5 Right of Franchisor to Operate Franchise Business

Following the delivery of a notice of termination under Section 16.2.2, if necessary in Franchisor's discretion, Franchisor must have the right, but not the obligation, to assume the operation of the Franchise Business until such time as Franchisee corrects the breach. Franchisor may charge a management fee as stated in the Manual from time to time, currently equal to TWO HUNDRED FIFTY DOLLARS ($250.00) per day, or twenty-five percent (25%) of the Gross Sales during that period (whichever is greater), and Franchisor must be entitled to reimbursement of any and all expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchise Business.

## 17 RIGHTS AND DUTIES UPON TERMINATION

17.1 Actions to be Taken

Except as otherwise provided, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee must terminate and Franchisee must:

17.1.1 immediately cease to operate the Franchise Business and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

17.1.2 cease to use the Trade Secrets and other Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

17.1.3 and upon demand by Franchisor, at Franchisor's sole discretion, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Franchise Business to Franchisor and Franchisee must furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

17.1.4 take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "THE GLASS GURU" or any other Mark, and Franchisee must furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.5 return any leased, loaned or other third-party equipment used in the operation of the Franchise Business;

17.1.6 pay all sums owing to Franchisor, which may include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, and any other amounts due to Franchisor;

17.1.7 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief if required for the enforcement of any provisions of this Agreement;

17.1.8 immediately return to Franchisor the Manual, Information with Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchise Business (all of which are acknowledged to be Franchisor's property);

17.1.9 assign all telephone listings and numbers and e-mail addresses for the Franchise Business to Franchisor, and must notify the telephone company, Internet service provider and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers, facsimile numbers and e-mail addresses associated with the Marks in any regular, classified or other telephone directory or Internet listing and must authorize transfer of same to or at the direction of Franchisor;

17.1.10 Pay Holdback for Customer Damages.

If the Franchise Agreement is terminated (except a termination in connection with a transfer of the Franchise Business under Section 18 or expires without renewal, Franchisee must pay to Franchisor the greater of an amount equal to five thousand dollars ($,5000.00=$17,500/mo – not high enough) or 5% of the Franchisee's average Gross Sales for the 6 calendar months preceding the date of termination or expiration without renewal (the "Holdback Amount"). For example, if franchisee is terminated or not renewed in July, the monthly Gross Sales for January through June would be added together and then divided by six. Five percent of that amount, if greater than $5000.00, would be the Holdback Amount.

Franchisor will have the right to ACH transfer the Holdback Amount from Franchisee's account five days before the date of termination or expiration without renewal. Franchisor will hold the Holdback Amount for a period of six months and may use the Holdback Amount during that period to pay damages in connection with the resolution of disputes with Franchisee's customers under Section 13.14 of this Agreement. Any portion of the Holdback Amount remaining at the end of the six-month period will be paid over to Franchisee within 14 days of the end of the six-month period.

17.1.11 comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 7.5 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;

17.2.1.2 to induce Franchisor to grant a Franchise to Franchisee; and

17.2.1.3 to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

17.2.2 Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, must, for a period of three (3) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity:

17.2.2.1 own an interest in, manage, operate or provide services to any Competitive Business located or operating (a) within a fifteen (15) mile radius of the Area of Primary Responsibility, or (b) within a fifteen (15) mile radius of the location of any other Franchise Business in existence at the time of termination or expiration; or

17.2.2.2 solicit or otherwise attempt to induce or influence any customer, employee or other business associate of Franchisor to terminate or modify his, her or its business relationship with Franchisor, any The Glass Guru Business, or to compete against Franchisor or any The Glass Guru Business.

17.2.3 In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit 3.

17.3 Unfair Competition

If Franchisee operates any other business during or after termination of this Agreement, Franchisee must not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion of that business, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee must not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Section 17.1 or 17.2. Upon termination or expiration of this Agreement, Franchisee must immediately cease all use of the Marks, change the telephone and fax numbers, website address and take such other actions as may be necessary to prevent any association between Franchisor or the System and Franchisee and any business subsequently operated by Franchisee. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to make or cause to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee must pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchise Business including, without limitation, leasehold improvements, equipment, supplies and other inventory. The purchase price must be equal to the assets' fair market value, excluding any goodwill. If market value cannot be mutually agreed upon between Franchisor and Franchisee, a third-party valuation must be ordered by a mutually agreed upon appraiser. If a mutually agreed upon appraiser cannot be established, Franchisor and Franchisee must each order their own appraisals. If after review of the two appraisals a market value cannot be agreed upon, a third appraisal may be ordered to make the final determination. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against such purchase price.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, must continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

## 18 TRANSFERABILITY OF INTEREST

### 18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee must assume the obligations of Franchisor hereunder and Franchisor must thereafter have no liability for the performance of any obligations contained in this Agreement.

### 18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as described in this Agreement, and the Franchise granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor, which approval must not be unreasonably withheld or delayed. Any purported transfer without such approval must be null and void and must constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer must be conditioned upon the satisfaction of the following requirements:

18.2.1 Franchisee has complied with the requirements described in Section 19;

18.2.2 all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchise Business, are fully paid and satisfied;

18.2.3 Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 2, releasing any and all claims against Franchisor, any Affiliate and their officers, directors, shareholders, managers, members, partners, owners and employees (in their corporate and individual capacities) including, without limitation, claims incident to the termination of this Agreement or to the transfer of Franchisee's interest or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee must give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require demonstrating ability to conduct the Franchise Business;

18.2.5 the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fee rates and other material

provisions, and the franchise agreement then executed must be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 2, releasing any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners and employees (in their corporate and individual capacities) with respect to any representations regarding the Franchise or the business conducted or any other matter that may have been made to the transferee by Franchisee;

18.2.7 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

18.2.8 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of FIVE THOUSAND DOLLARS ($5,000.00);

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term;

18.2.10 has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance of that franchise agreement by the transferee, if required by Franchisor;

18.2.11 transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to this Agreement as Exhibit 3; and

18.2.13 the transferee agrees that its Designated Manager must complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchise Business. The training must be at the expense of the transferee at the then-current standard rates for technician training.

18.3 Transfer to a Controlled Entity

18.3.1 If Franchisee wishes to transfer this Agreement or any interest under this Agreement to a corporation, limited liability company or other legal entity which must be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other

convenience of Franchisee, Franchisor's consent to such transfer must be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized, and its charter provides that its activities are confined exclusively to the operation of the Franchise Business;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity must be required to pay a transfer fee as required under Section 8.2;

18.3.1.4 the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchise Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face of that stock certificate the statement " "**The transfer of the shares or other ownership represented by this certificate is subject to the terms and conditions of a certain written franchise agreement entered into with The Glass Guru Franchise Systems, Inc.**", or a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer of that stock certificate is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents must also be furnished to Franchisor immediately upon adoption.

18.3.2 The term of the transferred franchise must be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchise Business, must not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor

must it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchise Business or to the history of the relationship of the parties to this Agreement. Franchisee specifically consents to such disclosure by Franchisor and must release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchise Business by an intended transferee identified by Franchisee.

18.5 Franchisee Disclosure to Transferee

Franchisee must provide the new franchisee with information specified by Franchisor, regardless of whether it is required under the purchase agreement between the parties. This information may include, but is not limited to, employment and personnel records for existing employees and employee candidates, currently valued loss run reports for the past five policy years (or for all years of operation if less than 5 years) for all insurance policies, annual premium amounts for each year for the past five policy years (or for all years of operation if less than 5 years), and payrolls for the past five years(or for all years of operation if less than 5 years). Franchisee agrees that Franchisor may provide the specified information directly to the new franchisee to the extent that Franchisor has that information.

18.6 For-Sale Advertising

Franchisee must not, without prior written consent of Franchisor, place in, on or upon the location of the Franchise Business, or in any communication media, any form of advertising relating to the sale of the Franchise Business or the rights granted hereunder. Franchisee must not, whether in or on the location of the Franchise Business or in any communication media, advertise a "going-out-of-business," inventory liquidation or similar sale or event.

18.7 Transfer by Death or Incapacity

18.7.1 Upon the death or incapacity (as determined by a court of competent jurisdiction) of any individual franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchise Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, must be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, the Franchise Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

18.7.2 Following the death or incapacity of an owner of the Franchise Business, if necessary in Franchisor's discretion, Franchisor must have the right, but not the obligation, to assume operation of the Franchise Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Manual from time to time, currently equal to TWO HUNDRED FIFTY DOLLARS ($250.00) per day or twenty-five percent (25%) of the Gross Sales for that period (whichever is greater), and Franchisor must be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchise Business.

## 19 RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell the Franchise Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee must obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor must, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit must be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor must have up to sixty (60) days to close the purchase. Franchisor must be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor's right of first refusal must renew and be implemented in accordance with this Section.

## 20 BENEFICIAL OWNERS OF FRANCHISE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the name, entity classification, state of organization, and all persons with a

beneficial interest in Franchisee and percentages of ownership of those persons in Franchisee are set forth on the Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors, attached as Exhibit 5. If Franchisee is an entity owned by one or more other entities, this form must be completed for all entities directly or indirectly owning an interest in Franchisee. Franchisee represents that the information stated in Exhibit 5 is accurate and complete. Franchisee agrees that it will immediately notify Franchisor (and comply with the provisions of Article 18 of this Agreement, if applicable) if there is any change in the ownership of Franchisee or other information set forth in Exhibit 5, including if Franchisee awards some ownership interest to an employee as an incentive or other compensation. In addition, Franchisee must provide to Franchisor an update of the information in Exhibit 5 or confirm that is remains unchanged on an annual basis (or as otherwise specified by Franchisor in the Manuals). Each of the persons named in Exhibit 5 must guaranty the obligations of Franchisee to Franchisor, unless Franchisor consents otherwise. Failure to comply with these requirements will be a material default under this Agreement.

If Franchisee is a corporation or another entity with some form of certificate of ownership or this Agreement is transferred to an entity under Section 18.2, in whole or in part, Franchisee's board of directors, members or other governing body must pass a resolution requiring, and the corporation or other entity must otherwise require, the prominent placement of the following notation regarding transfer restrictions on each certificate representing ownership in the entity:

> ***"The transfer of the shares or other ownership represented by this certificate is subject to the terms and conditions of a certain written franchise agreement entered into with The Glass Guru Franchise Systems, Inc."***

Franchisee must provide Franchisor with proof of complying with this provision within fifteen (15) days following the date on which any entity obtains rights under this Agreement, in whole or in part.

## 21 RELATIONSHIP AND INDEMNIFICATION

### 21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal of this Agreement, Franchisee must hold itself out to the public only as a franchisee and an owner of the Franchise Business operating the Franchise Business under a franchise from Franchisor. Franchisee must take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice in the form specified in Section 6.2 and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances must Franchisor be liable for any act, omission, contract, debt or any other obligation of Franchisee. Franchisor must in no way be responsible for any injuries to persons or property resulting from the operation of the Franchise Business.

### 21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

### 21.3 Indemnification

Franchisee must hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchise Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchise Business, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information.

### 21.4 Right to Retain Counsel

Franchisee must give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer must automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances must Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss must in no way reduce the amounts recoverable by Franchisor from Franchisee.

## 22 GENERAL CONDITIONS AND PROVISIONS

### 22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms of this Agreement, must constitute a

waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee must not be binding unless in writing and executed by Franchisor and must not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due must not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor must be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, and Franchisee specifically waives any and all defenses to injunctive relief.

22.3 Notices

All notices required or permitted under this Agreement must be in writing and must be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section. All notices, payments and reports required by this Agreement must be sent to Franchisee at its address on file with Franchisor and to Franchisor at the following address:

**The Glass Guru Franchise Systems, Inc.**
**ATTN: Chief Operating Officer**
**1382 Blue Oaks Blvd. STE 213**
**Roseville, CA 95678**

22.4 Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the prevailing party must be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22.5 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of ten percent (10%) or greater must be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit 4, through which such holders agree to assume and discharge

all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee must make a timely written request to Franchisor for such approval and, except as otherwise provided, any approval or consent granted must be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement, its exhibits and the documents referred to must be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and must supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations [other than those within Franchisor's (The Glass Guru Franchise Systems, Inc). Disclosure Document], inducements, promises or agreements, oral or otherwise, between the parties not embodied in the Agreement, which are of any force or effect with respect to the matters described in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing by both parties. Nothing in this Agreement requires the franchisee to waive reliance on the representations made in the disclosure document.

22.8 Severability and Modification

22.8.1 Except as noted below, each paragraph, part, term and provision of this Agreement must be considered severable. If any paragraph, part, term or provision of this Agreement is ruled to be unenforceable, unreasonable or invalid, such ruling must not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter must continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions must be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

22.8.2 Notwithstanding the above, each of the covenants contained in Sections 7 and 17. must be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it must be amended to provide for limitations on disclosure of Trade Secrets and other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions are intended solely for the convenience of the parties, and none must be deemed to affect the meaning or construction of any provision of this Agreement.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party will be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act must be extended for the amount of time of the delay. This clause must not result in an extension of the term of this Agreement.

22.11 Timing

Time is of the essence. Except as described in Section 22.10, failure to perform any act within the time required or permitted by this Agreement is a material breach.

22.12 Withholding Payments

Franchisee must not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee must not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisee has the right to charge a reasonable fee if there are insufficient funds in the agreed upon Electronic Funds Transfer Bank account at the time funds are to be withdrawn. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor must set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and

their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

## 23 DISPUTE RESOLUTION

23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement must be governed by and construed in accordance with the laws of the State of California (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. The Federal Arbitration Act must govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

23.2 Consent to Jurisdiction

Any action brought by either party, except those claims required to be submitted to arbitration, must be brought in the appropriate state or federal court located in or serving Sacramento or Placer County, California. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties submit to service of process by registered mail, return receipt requested or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision must not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

23.3 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor must be deemed, exclusive of any other right or remedy of this Agreement or by law or equity provided or permitted, but each must be in addition to every other right or remedy. Nothing contained in this Agreement will bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.4 Limitations of Claims

Any claim concerning the Franchise Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

23.5 Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages must not exceed and must be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

23.6 Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

23.7 Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained under this Agreement. Except for controversies or claims relating to the ownership of any of Franchisor's Marks or the unauthorized use or disclosure of Franchisor's Trade Secrets or other Confidential Information, covenants against competition and other claims for injunctive relief, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, must be settled by binding arbitration conducted in Sacramento or Placer County, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the Circuit Court for the State of California located in or serving Sacramento County, California. The decision of the arbitrator must be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

Franchisee acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

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.

## 24 AKNOWLEDGEMENTS

### 24.1 Receipt of this Agreement and the Uniform Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Uniform Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received an exact copy of this Agreement and its exhibits prior to the date on which this Agreement was executed. Franchisee further represents and acknowledges that it has received, at least fourteen (14) calendar days prior to the date on which this Agreement was executed, the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures.

### 24.2 Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

### 24.3 True and Accurate Information

Franchisee represents that all information described in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

### 24.4 No Violation of Other Agreements

Franchisee represents that its entering into (signing) this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

### 24.5 Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a Franchise Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated.

### 24.6 No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchise

Business. Franchisee represents and acknowledges that there have been no representations by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

The parties to this Agreement, intending to be legally bound have duly executed this Agreement.

**FRANCHISOR:**

THE GLASS GURU
FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FRANCHISEE:**

# EXHIBIT 1

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

# SPECIFICS

Franchisee's Name: _____

A. **Approved Location** *(Section 2.2)* - The proposed initial location for the Franchise Business is:

B. **Area of Primary Responsibility** *(Section 2.3)* – The Area of Primary Responsibility shall include the following zip codes:

C. In the event that any of the above listed zip codes are subdivided by the United States Postal Service during the term of this Agreement and new zip codes are created, Franchisor reserves the right to determine whether the new zip codes will become part of the Area of Primary Responsibility.

D. **The Franchise Fee** *(Section 3.1)* – is $_____US dollars unless otherwise stated.

E. **DBA** - The permitted "*doing business as*" name is

The Glass Guru® of _____(City)

This exhibit is signed on this date: _____

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

# EXHIBIT 2

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

## GENERAL RELEASE

This General Release is made and given on this ___ day of _____, 20___ by _____, ("Releasor") an individual/corporation/ limited liability company/partnership with a principal address of _____ _____, in consideration of:

***[Initial one as applicable]***

_____ Franchisor will not refund the Franchise Fee Franchisee paid to Franchisor upon Franchisor's termination of the franchise agreement entered into between Franchisee and Franchisor for Franchisee's failure to select a site for the Franchise Business under Section 5.2 of the Franchise Agreement.

_____ Franchisor will not refund the Franchise Fee Franchisee paid to Franchisor upon Franchisor's termination of the franchise agreement entered into between Franchisee and Franchisor for Franchisee's failure to develop an Approved Location under Section 5.2 of the Franchise Agreement.

_____ Franchisor will not refund the Franchise Fee Franchisee paid to Franchisor upon Franchisor's termination of the franchise agreement entered into between Franchisee and Franchisor for Franchisee's failure to complete the initial training program under Section 8.4 of the Franchise Agreement

In consideration of the mutual and several agreements recited above, Franchisee does forever release and discharge Franchisor, and its affiliates, and their respective officers, directors, shareholders, manager, members, partners, owners, and employees, in that capacity and individually, its guarantors, successors, and assigns on behalf of himself, herself, and itself or his or her heirs, executors, and administrators and its successors and assigns from all manner of actions, cause, causes of action, suits, debts, sums of money, accounts, promises, variances, trespasses, damages, judgments, execution, claims and demands, whatsoever, in law or in equity, arising out of or related to the Franchise Agreement between the parties which he, she or it has, or has had, or which his or her heirs, executors or administrators and its successors and assigns hereafter can, or may have, for upon or by reason of any matter, cause or thing whatsoever at any time prior to the date of this Agreement.

Said parties do further waive the benefits of the provisions of California Civil Code section 1542, which reads.

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Advice of Counsel. The parties understand and acknowledge the significance and consequence of waiving Section 1542 of the Civil Code of the State of California and by their signatures below, acknowledge and agree that they have discussed said waiver with their attorneys.

Warranty of Volitional Agreement. The parties warrant and represent that this Agreement is freely and voluntarily executed by the parties, and each of them, after having been apprised of all of the relevant information and data by their respective attorneys. The parties executing this Agreement warrant and represent that they have not relied on any inducements, promises or representations made by any party or its representative, or any other person, except for those expressly described in this Agreement.

This General Release must not be amended or modified unless such amendment or modification is in writing and is signed by Releasor and Releasee.

Releasor has executed this General Release as of the date first above written.

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

## ACKNOWLEDGMENT

State/Province of: _____

On this ___ day of _____, 20___ before me personally came _____, known to me to be the same person whose name is signed to the foregoing General Release, and acknowledged the execution thereof for the uses and purposes therein set forth, [and who did swear and say that he/she is the _____ (title) of _____ _____ (company name), and he/she has the authority to execute said General Release].

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____ (NOTARIAL SEAL)
Notary Public
My Commission expires: _____

# EXHIBIT 3

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

# NONDISCLOSURE AND NON-COMPETITION AGREEMENT

Between Franchisor & Franchisee

This "Agreement" made as of this date: _____
is by and between The Glass Guru Franchise Systems, Inc., ("Franchisor") (d/b/a) and
_____("Franchisee").

**WITNESSETH:**

WHEREAS, Franchisee is a party to that certain Franchise Agreement with The Glass Guru Franchise Systems, Inc., ("Franchisor") dated _____("Franchise Agreement");

WHEREAS, Franchisor desires Franchisee to have access to and/or to review certain Trade Secrets, which are more particularly described below;

WHEREAS, Franchisor is required by the Franchise Agreement to have Franchisee execute this Agreement prior to providing Franchisee access to said Trade Secrets; and

WHEREAS, Franchisee agrees not to disclose any such Trade Secrets to any other party and/or use such Trade Secrets to compete against Franchisor or any other the Glass Guru franchisee, ("Competitive Business", as defined below) now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings described here, and intending to be legally bound, the parties now mutually agree as follows:

## 1. Trade Secrets

Franchisee understands Franchisor possesses and will possess Trade Secrets, which is important to its business. For purposes of this Agreement, "Trade Secrets" is information, without regard to form including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, strategic plans, product plans, lists of actual or potential customers or suppliers which are not commonly known by or available to the public and which information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and, (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Franchisee understands Franchisor's providing of access to the Trade Secrets creates a relationship of confidence and trust between Franchisee and Franchisor with respect to the Trade Secrets.

## 2. Confidentiality/Non-Disclosure

a) Franchisee acknowledges that Franchisor will disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Manual, and as a result of guidance furnished to Franchisee during the term of the Franchise Agreement. Franchisee must not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchise Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and

members of the professional staff of Franchisee): (a) must not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) must maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) must not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) must adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee must enforce this Section as to its employees, agents and representatives and must be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

b) "Confidential Information" means technical and non-technical information used in or related to The Glass Guru Businesses and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by Franchisor. Confidential Information does not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure under this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

**3. Non-Competition**

a) During the period Franchisee owns any interest in the Franchise Business (as defined in the Franchise Agreement), Franchisee must not, directly or indirectly, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere without the express written consent of Franchisor;

b) For a period to three (3) years after the termination of Franchisee's interest in Franchise Business, Franchisee must not, directly or indirectly, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business located or operating (a) within a fifteen (15) mile radius of the Area of Primary Responsibility of Franchisee in existence at the time of termination or expiration; or, (b) within a fifteen (15) mile radius of the location of any other Franchise Business in existence at the time of termination or expiration.

;

c) Franchisee must not solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee or Franchisor to terminate or modify his, her or its business relationship with Franchisee or Franchisor or to compete with Franchisee or Franchisor.

d) "Competitive Business" means any business, whether direct or indirect, that offers (or grants franchises or licenses to others to operate a business that offers) products and services the same as or similar to those provided by Franchise Business or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term "Competitive Business" must not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest.

**4. Post Termination**

b) Franchisee agrees that his or her or its obligations under paragraphs 2(a), 3(b) and 3(c) of this Agreement must continue in effect after termination of Franchisee's relationship with Franchisor, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisor is entitled to communicate Franchisee's obligations under this Agreement to any future Franchisee, vendor, customer or employer to the extent deemed necessary by Franchisor for protection of Franchisor's rights hereunder .

5. **Miscellaneous**

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Franchisee must reimburse Franchisor for any and all costs and attorney fees incurred by Franchisor in the enforcement of the terms of this Agreement.

c) This Agreement will be effective as of the date this Agreement is executed and must be binding upon the successors and assigns of Franchisee and must inure to the benefit of Franchisor, its subsidiaries, successors and assigns.

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

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

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

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

**[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.]**

Franchisor has caused this Agreement to be executed by its duly authorized officer, and Franchisee has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

**WITNESS:**

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

# EXHIBIT 4

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

# GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this date _____,
by _____.

In consideration of, and as an inducement to, the signing of that certain Franchise Agreement of even date herewith ("Agreement") by The Glass Guru Franchise Systems, Inc. ("Franchisor"), each of the undersigned personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that

_____("Franchisee") must punctually pay and perform each and every undertaking, agreement and covenant described in the Agreement. Each of the undersigned must be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 7 and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty must be joint and several; (b) it must render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability must not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability must not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which must in any way modify or amend this Guaranty, which must be continuing and irrevocable during the term of the Agreement.

This Guaranty has been entered into the day and year first before written.

**PERSONAL GUARANTOR**

_____
Personally, and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

**PERSONAL GUARANTOR**

_____
Personally, and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

**PERSONAL GUARANTOR**

_____

Personally, and Individually (Printed Name)

_____

Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

**PERSONAL GUARANTOR**

_____

Personally, and Individually (Printed Name)

_____

Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

**PERSONAL GUARANTOR**

_____

Personally, and Individually (Printed Name)

_____

Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

**PERSONAL GUARANTOR**

_____

Personally, and Individually (Printed Name)

_____

Personally and Individually (Signature)

HOME ADDRESS: _____

_____

_____

TELEPHONE: _____

% OWNERSHIP IN FRANCHISE: _____

# EXHIBIT 5

TO THE FRANCHISE AGREEMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

# HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE; OFFICERS, DIRECTORS, MANAGERS AND TRUSTEES

**Holders of Legal or Beneficial Interest:**

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

**Officers and Directors:**

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

NAME: _____
TITLE: _____
HOME ADDRESS: _____
_____
_____
TELEPHONE: _____
EMAIL: _____
PERCENT OWNERSHIP IN FRANCHISE: ___%

# EXHIBIT 6

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

# ASSIGNMENT OF TELEPHONE NUMBERS AND INTERNET TOOLS

This Assignment is made between **The Glass Guru Franchise Systems, Inc.** of 1382 Blue Oaks Blvd., Suite 213, Roseville, CA 95678 ("Franchisor") and_____, whose address is _____ ("Franchisee").

1. **Introduction:** Franchisee has obtained a license from Franchisor for the operation of a business using Franchisor's **THE GLASS GURU®** Franchise Business system ("System"), which business Franchisee acquired by signing a Franchise Agreement dated _____(the "Franchise Agreement"). In consideration of Franchisor granting the license to Franchisee, Franchisee has agreed to assign all Telephone Numbers and Internet Tools (as defined below) that are associated with Franchisee's **THE GLASS GURU®** Franchise Business (the "Franchise Business") and/or the System to Franchisor. For purposes of this Agreement, "Telephone Numbers" includes all telephone numbers used in connection with the Franchise Business, including in connection with advertising and marketing for the Franchise Business. For purposes of this Agreement, "Internet Tools" means Internet domain names, email addresses, websites, social media accounts (such as Facebook, LinkedIn, Twitter, YouTube), blogs, vlogs (social videos), online social networks, wikis, forums, content sharing communities, and other Internet tools used in connection with the Franchise Business, including in connection with advertising and marketing for the Franchise Business.

2. **Assignment of Telephone Numbers/Power of Attorney:** Franchisee assigns all Telephone Numbers to Franchisor or its successor or assign. Franchisee hereby appoints an officer of Franchisor as Franchisee's attorney-in-fact to transfer the Telephone Numbers to Franchisor and to sign, on behalf of Franchisee, all documents necessary to accomplish the transfer.

3. **Assignment of Internet Tools/Power of Attorney:** Franchisee assigns all Internet Tools to Franchisor or its successor or assign. Franchisee also hereby appoints an officer of Franchisor as Franchisee's attorney-in-fact to transfer the Internet Tools to Franchisor and to sign, on behalf of Franchisee, all documents necessary to accomplish the transfer.

4. **Limited License; Responsibility for Costs:** Franchisor grants Franchisee a limited license to use the Telephone Numbers and Internet Tools in connection with the Franchise Business only during the term of the Franchise Agreement and only as long as Franchisee complies with the policies and procedures specified by Franchisor. On the expiration without renewal or termination of the Franchise Agreement, this limited license will terminate, and Franchisee must cease all use of the Telephone Numbers and Internet Tools. On the termination of this license, Franchisee must cooperate with Franchisor and provide any authorizations as may be necessary for Franchisor to assert its rights in the Telephone Numbers and Internet Tools. While this limited license is in effect, Franchisee is responsible for all costs associated with the Telephone Numbers and Internet Tools and, unless otherwise specified by Franchisor, must pay those costs directly to the providers of the Telephone Numbers and Internet Tools.

5. **Access to Telephone Numbers and Internet Tools:** Franchisor will have the right to access all accounts relating to the Telephone Numbers and Internet Tools. Franchisee must provide to Franchisor all information necessary to allow Franchisor to access those accounts, including usernames, passwords, security codes, and all changes to any of that information.

6. **Consent:** Franchisee hereby consents and authorizes any and all telephone companies, telephone directory services, Internet companies and other public or private businesses using, authorizing or

providing any of the Telephone Numbers and Internet Tools to immediately recognize this Assignment upon receipt of written notice from Franchisor. Franchisee agrees that a copy of this Assignment, certified by an officer of Franchisor, will be as valid and binding as the original.

7. **Notices:** Franchisor may give notice of its acceptance of the Assignment of the Telephone Numbers and Internet Tools by sending written notice by first class mail and certified or registered mail with postage fully paid and depositing them in the United States Mails. Notices may be sent in accordance with this Section to Franchisee and to all telephone companies, Internet companies and other businesses that are to recognize the Assignment. All notices to the Franchisee must be addressed to the address indicated above, or to any subsequent address of which Franchisor receives written notice. Any notice delivered by mail in the manner set forth in this Section will be deemed delivered and received three days after mailing.

8. **Miscellaneous:** If any part of this Agreement is found to be unenforceable, such findings will not invalidate the other parts of this Agreement. This Agreement expresses the entire understanding of the parties with respect to the subject matter herein. This Agreement will be construed in accordance with the laws of the State of California and will be deemed to have been made in the State of California. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any change is sought. Signed and effective this date: _____.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

# EXHIBIT 7

TO THE FRANCHISE AGREEMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

# MULTI-STATE ADDENDA

**ADDENDUM TO THE FRANCHISE AGREEMENT**
**THE GLASS GURU FRANCHISE SYSTEMS, INC.**

**FOR THE STATE OF CALIFORNIA**

This Addendum to the Franchise Agreement is agreed to this date _____
between The Glass Guru Franchise Systems, Inc. and _____.

1. New Section 17.6 is inserted into the Franchise Agreement and states as follows:

   - If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and acknowledge that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have, including attorneys' fees and costs.

2. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

   - The California Franchise Relations Act provides rights to the Franchisee concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 4.2 and 16.2.

   - Section 16.2.1.10, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

   - Section 16.2.2.1 which terminates the Franchise Agreement upon (5) days of receiving notice of Franchisee's failure to pay amounts due Franchisor, Franchisor's services provided for said time period if default is not cured.

   - Section 16.2.2.2 which terminates the Franchise Agreement upon (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement, Franchisor's service provided for said time period if default is not cured; or

   - Section 16.2.2.3 which terminates the Franchise Agreement within thirty (30) days of receiving notice of Franchisee's failure to achieve acceptable status on other compliance requirements; or

   - Section 16.2.2.4 which terminates the Franchise Agreement within thirty (30) days of receiving notice of Franchisee's failure to use and cooperate in the use of operating systems and tools provided by Franchisor to improve the Franchise Business and/or the franchise system as a whole; or

   - Section 16.2.2.5 which terminates the Franchise Agreement within thirty (30) days of receiving notice of Franchisee's failure to regularly attend and actively participate in required conference calls, or meetings, conventions, and other events sponsored or suggested by Franchisor to increase the chance of success and/or maximize the performance of the Franchise Business and/or the franchise system as a whole; or

   - Section 16.2.2.6 which terminates the Franchise Agreement within thirty (30) days of receiving notice of Franchisee's failure to embrace new programs and business building initiatives developed for the enhancement of the performance of the Franchise Business; or

   - Section 16.2.2.7 which terminates the Franchise Agreement within thirty (30) days of receiving notice of Franchisee's regularly acting in a combative or confrontational manner with vendors, customers, or other franchisees; or

- Section 16.2.2.8 which terminates within thirty (30) days of receiving notice that Franchisee has had an excessive number of customer complaints and/or has not acted reasonably and in the best interests of the franchise system in resolving customer complaints.

- Section 16.2.2.9 which terminates the Franchise Agreement upon (30) days of receiving notice of any other default by Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing, Franchisor's services provided for said time period if default is not cured.

- Section 17.2 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.

- Paragraph 1 of this Addendum contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

- Section 23.7 requires binding arbitration. The arbitration must occur at the forum indicated in Section 23.7, with the costs being borne by the non-prevailing party. 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.

3. California law requires that you obtain a Contractor's license from the California Contractors State License Board (CSLB) if the total cost (labor and materials) of one or more contracts on the project is $500 or more. Licenses may be issued to individuals, partnerships, corporations joint ventures, or Limited Liability Companies (LLCs).

4. To the extent this Addendum must be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to the Franchise Agreement, the terms of this Addendum must govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____

**FRANCHISEE:**

NAME: _____
TITLE: _____

**FOR THE STATE OF HAWAII**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

- The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 4.2, 16.2 and 18.2 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law must control.

- Sections 4.2.8, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal and transfer of the franchise, and Sections 5.2, 5.5 and 8.4 require Franchisee to sign a general release as a condition to receiving a refund of a portion of the Franchise Fee following a termination of the franchise; such release must exclude claims arising under the Hawaii Franchise Investment Law.

- Section 16.2, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum must be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to that Agreement, the terms of this Addendum must govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**
THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF ILLINOIS**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

- Sections 4.2, 8.2 and 18.2 are amended to add: No general release shall be required as a condition of renewal, termination and/or transfer that is intended to require Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705.
- Sections 16.2, 17.2 and 23 are amended to add: The conditions under which the Franchise Agreement can be terminated and your rights upon termination or non-renewal, as well as the application by which you must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.
- Sections 23.1 and 23.2 are amended to add: The Franchise Agreement shall be governed by Illinois law. Jurisdiction and venue for court litigations shall be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.
- Section 23.4 is amended to add: No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.
- Section 23.6 is deleted in its entirety.

2. The Franchise Agreement is amended to add the following: Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
3. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to that Agreement, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name
BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF INDIANA**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

   - Sections 4.2, 8.2 and 18.2 do not provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
   - Section 16 is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
   - Section 17.2 is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants shall have a geographical limitation of the territory granted to Franchisee.
   - Section 23.1 is amended to provide that Franchisee shall not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
   - Section 23.1 is amended to provide that, in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law shall prevail.
   - Section 23.2 is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.
   - Section 23.7 is amended to provide that arbitration between Franchisor and Franchisee, shall be conducted at a mutually agreed upon location.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to that Agreement, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____

**FOR THE STATE OF MARYLAND**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

   - Sections 4.2, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise,; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
   - Section 16.2.1.10, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
   - Section 23.1 requires that the franchise be governed by the laws of the State of California; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.
   - Sections 23.2 and 23.7 require litigation or arbitration to be conducted in the State of California; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
   - Any Section of the Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise 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.
   - Section 23.4 is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law may be brought within three (3) years after the grant of the franchise.

2. Any portion of the Franchise Agreement which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations 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.

3. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to that Agreement, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF MINNESOTA**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:
   - Sections 4.2 and 16.2 are amended to add that with respect to franchises governed by Minnesota Law, Franchisor shall comply with the Minnesota Franchise Law that requires, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
   - Sections 4.2.8, 5.2, 5.5, 8.4, 18.2.3 and 18.2.6 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
   - Section 6 is amended to add that as required by Minnesota Franchise Act, Franchisor shall reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as you were using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
   - Section 23.4 is amended to state that any claim concerning the Franchise Business or this Agreement or any related agreement shall be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
   - Section 23.5 is deleted in its entirety.
   - Section 23.6 is deleted in its entirety.
   - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to them, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF NEW YORK**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

   - Sections 4.2.8, 5.2, 5.5, 8.4, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release shall exclude claims arising under the General Business Laws.
   - Under Section 18.1, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
   - Section 21.3 is amended to provide that Franchisee shall not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
   - Section 23.1 requires that the franchise be governed by the laws of the state the Franchisor's principal business is then located, such a requirement shall not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the General Business Laws.
   - Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum may be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to them, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FRANCHISEE:**

_____
Entity Name

## FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are amended as follows:

- Under Sections 4.2.8, 5.2, 5.5, 8.4, 18.2.3 and 18.2.6, the the signing of a general release upon renewal, transfer, or termination of the franchise will be inapplicable to franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 7 is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
- Sections 17.1.6 and 17.1.7 are amended to state:
- If Franchisor or Franchisee is required to enforce this Agreement via judicial or arbitration proceedings, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and legal fees in connection with such proceeding.
- Section 17.2 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 23.1 is amended to state that in the event of a conflict of laws, North Dakota Law shall prevail.
- Section 23.2 is amended to add that any action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.
- Section 23.4 is amended to state that the statute of limitations under North Dakota Law shall apply.
- Sections 23.5 and 23.6 are deleted in their entireties.
- Section 23.7 is amended to state that arbitration involving a franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator shall determine the location.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments to them, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**
THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF RHODE ISLAND**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:

   - Sections 4.2.8, 5.2, 5.5, 8.4, 18.2.3, and 18.2.6 require Franchisee to sign a general release as a condition of renewal, transfer, or termination of the franchise; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.

   - Sections 23.1, 23.2 and 23.7 are amended to state that restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE COMMONWEALTH OF VIRGINIA**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____, to amend and revise said Franchise Agreement as follows:

- Section 16.2.1.10, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*)
- In recognition of the restrictions contained in Section 13.1-564 of the Retail Franchising Act, the Franchise Disclosure Document for The Glass Guru Franchise Systems, Inc. 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 ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF WASHINGTON**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____.

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for The Glass Guru Franchise Systems, Inc. is amended as follows:
   - The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
   - Under Sections 4.2.8, 5.2, 5.5, 8.4, 18.2.3 and 18.2.6, Franchisee is required to sign a general release as a condition of renewal and transfer, or termination of the franchise; such release shall exclude claims arising under the Washington Franchise Investment Protection Act.
   - Section 23.1 requires that the franchise be governed by the laws of the State of California; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
   - Sections 23.2 and 23.7 require litigation or arbitration to be conducted in the State of California. In any arbitration involving a franchise in the State of Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
   - Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or which unreasonably restrict other rights or remedies available to a franchisee under the Act, such as a waiver of the 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.
2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**FOR THE STATE OF WISCONSIN**

This Addendum to the Franchise Agreement is agreed to this date _____ between The Glass Guru Franchise Systems, Inc. and _____, to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments, the terms of this Addendum shall govern.

Each of the undersigned acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

# EXHIBIT B

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

# LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises and the Effective Date of this Disclosure Document for these states. The Effective Date of this Disclosure Document for any state that is not included in this list is as shown on the cover of the Disclosure Document. We may register in one or more of these states.

**California**

Department of Business Oversight
71 Stevenson Street, Suite 2100
San Francisco, California 94105
(415)972-8559

Commissioner of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013
(213)576-7500

Commissioner of Business Oversight
1515 K. Street, Suite 200
Sacramento, California 95814
(866) 275-2677 Toll Free

**Florida**

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

**Hawaii**

Commissioner of Securities
Department of Commerce & Consumer Affairs
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**

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317)232-6681

**Kentucky**

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

**Maryland**

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410)576-6360

**Michigan**
Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909
(517)373-7117

**Minnesota**
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

**Nebraska**
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

**New York**
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212)416-8211

**North Dakota**
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
(701)328-4712

**Rhode Island**
Division of Securities, Suite 232
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401)462-9527

**South Dakota**
Division of Insurance Securities Regulation
124 S Euclid, Suite 104
Pierre, SD 57501
(605)773-3563

**Texas**
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

**Utah**
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

**Virginia**
State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804)371-9051

**Washington**
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Tumwater, Washington 98501
(360)902-8760

**Wisconsin**
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608)266-2801

# EXHIBIT C

TO THE DISCLOSURE DOCUMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

## LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

**California**

Department of Business Oversight
71 Stevenson Street, Suite 2100
San Francisco, California 94105

Commissioner of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013

**Hawaii**

Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

**Illinois**

Illinois Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, Illinois 62706

**Indiana**

Indiana Secretary of State
Franchise Section
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

**Maryland**

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

**Michigan**

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa Street
G. Mennen Williams Bld., 1st Floor
Lansing, Michigan 48913

**Minnesota**

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

**New York**

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

**North Dakota**

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510

**Rhode Island**

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

**South Dakota**
Division of Insurance Securities Regulation
124 S Euclid, Suite 104
Pierre, SD 57501
(605)773-3563

**Virginia**
Clerk of the State Corporation Commission
1300 East Main Street
1st Floor
Richmond, Virginia 23219

**Washington**
Department of Financial Institutions
Securities Division - 3rd Floor
150 Israel Road Southwest
Tumwater, Washington 98501

**Wisconsin**
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

# EXHIBIT D

TO THE DISCLOSURE DOCUMENT
THE GLASS GURU FRANCHISE SYSTEMS, INC.

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# EXHIBIT F

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

## LIST OF CURRENT AND FORMER FRANCHISEES

### ACTIVE FRANCHISEES

### During the year ended December 31, 2018

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| **ALABAMA** | | | | | | | |
| The Glass Guru of Mobile | Wyatt and Sherry Gerald | 251-287-1562 | 5821 Rangeline Rd., Unit 211 | Mobile | AL | 36582 | USA |
| **ARIZONA** | | | | | | | |
| The Glass Guru of Scottsdale | Mike Cunningham | 602-529-9500 | 7360 East Acoma Dr. Suite #8 | Scottsdale | AZ | 85260 | USA |
| **CALIFORNIA** | | | | | | | |
| The Glass Guru of Stockton | Chuck & Brenda Vecchiarelli | 209-625-8156 | 6136 East Acampo Road | Acampo | CA | 95220 | USA |
| The Glass Guru of Carlsbad | Laurel Mayo | 760-994-4441 | 5933 Sea Lion Place, Suite 109 | Carlsbad | CA | 92010 | USA |
| The Glass Guru of Elk Grove | Breck Spain, Teresa Ryder | 916-599-4404 | 9100 Elkmont Way | Elk Grove | CA | 95624 | USA |
| The Glass Guru of Clovis | Patrick Vance | 559-709-2795 | 2396 E. Cromwell Ave | Fresno | CA | 95678 | USA |
| The Glass Guru of Brentwood | Ranae Williams | 925-339-1647 | 7030 Valley Hills Drive | Pleasanton | CA | 94588 | USA |
| The Glass Guru of Redding | Brian Fink | 530-222-2153 | 935 Wall St #1 | Redding | CA | 96002 | USA |
| The Glass Guru of East Sacrametno | KJ Singh | 916-259-2598 | 608 Horizon Cove | Rocklin | CA | 95677 | USA |
| The Glass Guru of Folsom | Vito Lessa | 916-517-0952 | 1323 Puebla Way | Roseville | CA | 95747 | USA |
| The Glass Guru of Roseville | Dan Frey & Dave Hull | 916-786-4878 | 198 Cirby Way, Suite 120 | Roseville | CA | 95678 | USA |
| The Glass Guru of Temecula | Jay Lund | 951-777-8845 | 26111 Ynez Rd #12 | Temecula | CA | 92591 | USA |
| The Glass Guru of Torrance | Corey Gavin | 714-376-7533 | 5350 Grosvenor Blvd | Torrance | CA | 92782 | USA |
| The Glass Guru of Chico | Greg Lewelling | 530-674-3858 | 909 B. North George | Yuba City | CA | 95993 | USA |

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| | | | Washington Blvd | | | | |
| The Glass Guru of Yuba City | Greg Lewelling | 530-674-3858 | 909 B. North George Washington Blvd. | Yuba City | CA | 95993 | USA |
| The Glass Guru of Redlands | Rodd Heggen | 951-403-8796 | 33657 Northview Drive | Yucaipa | CA | 92399 | USA |

**COLORADO**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Denver North | Chris Schwartz | 720-215-1313 | 6618 Wadsworth Blvd | Arvada | CO | 80003 | USA |
| The Glass Guru of Highlands Ranch | Chris Schwartz | 720-215-1313 | 6618 Wadsworth Blvd. | Arvada | CO | 80003 | USA |
| The Glass Guru of Lakewood | Chris Schwartz | 720-215-1313 | 6618 Wadsworth Blvd. | Arvada | CO | 80003 | USA |
| The Glass Guru of Colorado Springs | Eric Helus | 719-368-3088 | 204 Mount View Lane #8 | Colorado Springs | CO | 80907 | USA |
| The Glass Guru of Fort Collins | John Webb | 970-689-3119 | 3819 Kentford Road | Fort Collins | CO | 80525 | USA |
| The Glass Guru of Grand Junction | Joe Miller | 970-316-0123 | 2372 J Road | Grand Junction | CO | 81505 | USA |
| The Glass Guru of Greeley | Phil Crust, Rob Crust | 970-984-8787 | 801 20th Ave | Greeley | CO | 80631 | USA |
| The Glass Guru of Glenwood Springs | Dan Lahti | 970-456-6832 | 38100 River Frontage Road A6 | New Castle | CO | 81647 | USA |

**CONNECTICUT**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Fairfield | Ryan Burdge | 203-623-6338 | 2490 Black Rock Turnpike #456 | Fairfield | CT | 06825 | USA |

**DELAWARE**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Newark | Michael Evans | 302-384-1635 | 74 Albe Drive, Unit 7 | Newark | DE | 19702 | USA |

**FLORIDA**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Daytona | Thiago Garcia | 386-202-4676 | 1115 Enterprise Court, Unit J | Holly Hill | FL | 32117 | USA |
| The Glass Guru of Melbourne | Dale Anderson | 321-327-7944 | 205 West Dr #1 | Melbourne | FL | 32904 | USA |
| The Glass Guru of Sarasota | Martin Rivenbark | 941-377-4878 | 3526 Austin Street | Sarasota | FL | 34231 | USA |

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| **GEORGIA** | | | | | | | |
| The Glass Guru of Atlanta North | Shannon Wolfe | 404-501-0223 | 3550 Clarkston Industrial Blvd | Clarkston | GA | 30021 | USA |
| The Glass Guru of Atlanta South | Shannon Wolfe | 404-501-0223 | 3550 Clarkston Industrial Blvd | Clarkston | GA | 30021 | USA |
| The Glass Guru of Columbus | Vaughn Dobbins | 706-478-7577 | 5300 Transport Blvd | Columbus | GA | 31907 | USA |
| The Glass Guru of John's Creek | Tom Broe | 678-648-0005 | 6020 Parkway North Suite 1200 | Cummings | GA | 30040 | USA |
| The Glass Guru of Warner-Robbins | Kenny Meredith | 478-328-0999 | 1433 Watson Blvd | Warner Robins | GA | 31093 | USA |
| **HAWAII** | | | | | | | |
| The Glass Guru of Leeward Oahu | Guernic deColigny | 808-234-4260 | 2412 Rose St, Suite 2 | Honolulu | HI | 96819 | USA |
| **ILLINOIS** | | | | | | | |
| The Glass Guru of Gurnee | Tom Rowland | 847-665-8450 | 1020 S Northpoint Blvd | Waukegan | IL | 60085 | USA |
| **INDIANA** | | | | | | | |
| The Glass Guru of Indy North | Mitch Ritchey | 317-222-1592 | 10089 Allisonville Road, Suite C | Fishers | IN | 46038 | USA |
| The Glass Guru of Indy South | Adam Ranard | 317-288-3737 | 886 North SR 135 Ste. B | Greenwood | IN | 46142 | USA |
| **LOUISIANA** | | | | | | | |
| The Glass Guru of Baton Rouge | Ben Smith | 225-271-4890 | 24930 Louisiana 16 | Denham Springs | LA | 70726 | USA |
| **MARYLAND** | | | | | | | |
| The Glass Guru of Columbia | Kevin Bristol | 443-312-6220 | 806 Barkwood Ct Ste M | Linthicum | MD | 21042 | USA |
| **MICHIGAN** | | | | | | | |

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Lansing | Scott & Dan House | 517-285-3148 | 6435 Westland Way | Lansing | MI | 48917 | USA |
| The Glass Guru of Traverse City | Steve Bentley | 231-510-4464 | 807A Lake Ave | Traverse City | MI | 49684 | USA |

**MINNESOTA**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Duluth | Dan Cook | 218-624-2119 | 102 East Central Entrance Suite 6 | Duluth | MN | 55811 | USA |
| The Glass Guru of Blaine | Jonathan Land | 763-767-2151 | 308 15 St SW Ste 148 | Forest Lake | MN | 55025 | USA |

**MISSISSIPPI**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Madison | Carey Baker | 662-836-7417 | 393A N Old Canton Road | Madison | MS | 39110 | USA |

**MISSOURI**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Springfield | Chris Allman | 417-708-1231 | 3101 South Scenic Ave Suite D | Springfield | MO | 65807 | USA |
| The Glass Guru of O'Fallon | Gregg Merkel | 636-980-1616 | 2182 E Pitman Ave | Wentzville | MO | 63385 | USA |

**MONTANA**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Helena | Michael DaSilva | 406-461-6288 | 1 W Main St | Helena | MT | 59635 | USA |

**NEW JERSEY**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Mewadowlands | Jacek Piczak & Daria Piczak | 201-528-9764 | 130 Hackensack Street | East Rutherford | NJ | 07073 | USA |

**NEW YORK**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Albany | Paul Schlingen | 518-567-7328 | 1948 State Road 66 | Ghent | NY | 12075 | USA |

**NORTH CAROLINA**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Huntersville | Harry Youchak | 980-498-6519 | 8425 Old Statesville Rd #17 | Charlotte | NC | 28269 | USA |
| The Glass Guru of Raleigh | Brian Wise | 910-892-2909 | 705 W Broad Street | Dunn | NC | 28334 | USA |

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| **OHIO** | | | | | | | |
| The Glass Guru of Gahana | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Delaware | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Dublin | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Grove City | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Lancaster | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Newark | David Garrison | 614-522-0028 | 1010-B Taylor Station Rd | Columbus | OH | 43230 | USA |
| The Glass Guru of Macedonia | David Garrison, Howard Garrison, Scott Grooms | 330-467-5318 | 7791 Capital Blvd Suite 8B | Macedonia, OH. | OH | 44056 | USA |
| The Glass Guru of Mason | John & Lisa Chambers | 513.204 2354 | 536 Forest Edge Dr. | South Lebanon | OH | 45065 | USA |
| **OKLAHOMA** | | | | | | | |
| The Glass Guru of Edmond | Gret Adams & Austin Adams | 405-888-3301 | 1361 Fretz Drive | Edmond | OK | 73003 | USA |
| **SOUTH CAROLINA** | | | | | | | |
| The Glass Guru of Charleston | Erik Hilger | 843-640-3270 | 1038 Jenkins Road Ste. 102 | Charleston | SC | 29407 | USA |
| **TENNESEE** | | | | | | | |
| The Glass Guru of West Knoxville | Joe & Jessica Grant | 865-217-1013 | 5650 Highway 11 East | Lenoir City | TN | 37772 | USA |
| The Glass Guru of Memphis | Chris Chambers & Jonathan Conner | 901-320-7100 | 5250 Mason Road | Memphis | TN | 38120 | USA |
| **TEXAS** | | | | | | | |
| The Glass Guru of Plano | Mike Paulda & Michelle Paulda | (214) 505-7481 | 1518 Greenbriar Drive | Allen | TX | 75013 | USA |
| The Glass Guru of Amarillo | Joshua Lipskind | 806-341-8618 | 2102 South Wilson | Amarillo | TX | 79103 | USA |

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Austin | Michael Kugler | 512-828-6770 | 8711 Burnet Rd, Suite B-34 | Austin | TX | 78757 | USA |
| The Glass Guru of El Paso | Frank Menchaca | 915-929-7655 | 7355 Remcon Cir, Suite 203 | El Paso | TX | 79912 | USA |
| The Glass Guru of Rockwall | Noah Pedroza | (214) 763-5512 | 1138 Woods Road | Forney | TX | 75126 | USA |
| The Glass Guru of Keller | Todd Beseda | 817-642-5242 | 112 West Hill Street | Keller | TX | 76248 | USA |
| The Glass Guru of Longview | Scott Wright | (903) 686-0333 | 122 South Ward | Longview | TX | 75604 | USA |
| The Glass Guru of Lubbock | Jimmy Teeter & Wendy Teeter | 806-759-3419 | 6914 69th Street | Lubbock | TX | 79424 | USA |
| The Glass Guru of Frisco | Ted or Aaron Halladay | 469-252-3785 | 1971 University Business Dr #111 | McKinney | TX | 75070 | USA |
| The Glass Guru of San Antonio NW | Michael Kugler | 512-431-6287 | 7436 Reindeer Trail | San Antonio | TX | 78238 | USA |
| The Glass Guru of Southlake | Kyle Hansen & Stephanie Hansen | 214-908-8045 | 612 Trailhead Drive | Southlake | TX | 76092 | USA |
| The Glass Guru of Spring | Manuel & Isabel Landa | 346-224-8380 | 4177 Louetta Road #17 | Spring | TX | 77388 | USA |

**WISCONSIN**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Sheboygan | Brian Van Wageningen | 920-894-4878 | 517A Fremont Street | Kiel | WI | 53042 | USA |

**WASHINGTON**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Bellingham | TJ Randhawa | 360-927-9395 | 7348 Guide Meridian Rd | Lynden | WA | 98264 | USA |
| The Glass Guru of Redmond | Don Dawson | 425-867-5267 | 14572 NE 95th St | Redmond | WA | 98052 | USA |

**CANADA**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The Glass Guru of SW Calgary | Frank Lyall | 403-975-4527 | 3839 Burnsland Road SE. | Calgary | AB | T2G 3Z4 | CANADA |
| The Glass Guru of West Edmonton | Mike Down | 780-566-2473 | 15624 - 112 Ave | Edmonton | AB | T5M 2W1 | CANADA |
| The Glass Guru of Ottawa East | Marc Latendresse | 613-424-8996 | 1112 Moselle Cres | Orleans | ON | K1C 2T2 | CANADA |
| The Glass Guru of North Surey | Chris Wijaya | 604-595-3011 | 17163 102 Avenue | Surrey | BC | V4N 3L4 | CANADA |
| The Glass Guru of Charham-Kent | Scott and Jen Bowen | 519-627-9119 | 1405 Dufferin Ave | Wallaceburg | ON | N8A2W7 | CANADA |

## FORMER FRANCHISEES

## During the year ended December 31, 2018

| Franchise | Franchisee(s) | Phone | Address | City | State | Postal | Country |
|---|---|---|---|---|---|---|---|
| The Glass Guru of Alexandria | David Sjoberg | 318-625-7535 | 3402 Jackson St Suite G | Alexandria | LA | 71301 | USA |
| The Glass Guru of Goodyear | Jeff Aviles | 623-925-8174 | 11782 North 91st Ave | Peoria | AZ | 85345 | USA |
| The Glass Guru of Peoria | Jeff Aviles | 602-513-1884 | 11782 N 91st Ave Suite 1 | Peoria | AZ | 85345 | USA |
| The Glass Guru of Monterey County | Cody Patterson | 831-758-5232 | 411 Front Street | Salinas | CA | 93901 | USA |
| The Glass Guru of Sioux City | Troy Askelson & Terri Askelston | 712-253-8280 | 2860 28th Street | Sioux City | IA | 51105 | USA |

# EXHIBIT G

TO DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

## FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, THE GLASS GURU FRANCHISE SYSTEMS, INC. and you are preparing to enter into a Franchise Agreement for the operation of a Franchise Business. In this Franchisee Disclosure Questionnaire, THE GLASS GURU FRANCHISE SYSTEMS, INC. will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize 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 THE GLASS GURU FRANCHISE SYSTEMS, INC. Franchise Agreement and each exhibit, addendum and schedule attached to it?
   Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
   Yes ___ No ___

   If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

   _____

   _____

   _____

   _____

   _____

   _____

   _____

   _____

3. Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ___ No __

4. Do you understand all of the information contained in the Disclosure Document?
Yes ___ No __

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 the Franchise Business with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ___ No __

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 __

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of the Franchise Business that we or our franchisees operate?
Yes ___ No __

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchise Business that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No __

9. 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 Franchise Business?
Yes ___ No __

10. 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 to you that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ___ No __

11. If you have answered "Yes" to any of questions 7 through 10, 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 each of such questions, please leave the following lines blank.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

12. 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 us?
Yes ___ No ___

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Name of Franchisee/Applicant

Date: _____, 20___

_____
Signature

_____
Name and Title of Person Signing

# EXHIBIT H

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

## MULTI-STATE ADDENDA

ADDENDUM TO THE
THE GLASS GURU FRANCHISE SYSTEMS, INC.
UNIFORM FRANCHISE DISCLOSURE DOCUMENT

**FOR THE STATE OF CALIFORNIA**

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

2. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a 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 §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Neither the franchisor, any person or franchise broker in ITEM 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. ITEM 17 of the Disclosure Document is amended to add the following:

- The 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 provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.

- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party. 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 the State of California.
- The following URL address is for the franchisor's website: **www.theglassguru.com**

FRANCHISOR'S 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.

## FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:

   - This registration is not currently effective in any state.

   - This proposed registration is on file with or will shortly be on file with the States of California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

   - There are no states that have refused, by order or otherwise, to register these franchises.

   - There are no states that have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

   - The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4.2 and 16.2 and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

   - Sections 4.2.8, 18.2.3 and 18.2.6 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

   - Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

   - THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

   - THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

4.

- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

**FOR THE STATE OF ILLINOIS**

- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.

- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.

- Any provision in the Franchise Agreement requiring a general release is void to the extent that such provision requires a waiver of compliance with the Illinois Franchise Disclosure Act.

- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

- 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 under the provisions of Title 9 of the United States Code.

ITEM 17 of the Disclosure Document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19, 705/20.

**FOR THE STATE OF INDIANA**

1. ITEM 8 of the Disclosure Document is amended to add the following:

   - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:

   - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.

3. ITEM 17 of the Disclosure Document is amended to add the following:

   - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

   - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

   - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

   - ITEM 17(u) is amended to provide that arbitration between a franchisee and franchisor will be conducted in Indiana or a site mutually agreed upon.

   - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

   - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

**FOR THE STATE OF MARYLAND**

1. ITEM 17 of the Disclosure Document is amended to add the following:

   - Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.

   - Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

   - Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

   - In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

   - The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.)

2. Exhibit G to the Disclosure Document is amended as follows:

   - Any portion of the Disclosure Questionnaire which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations 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.

**FOR THE STATE OF MINNESOTA**

1. ITEM 13 of the Disclosure Document is amended as follows:

   - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEM 17 of the Disclosure Document is amended as follows:

   - With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

   - ITEM 17 does not provide for a prospective general release of claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

   - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J 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.

**FOR THE STATE OF NEW YORK**

1. All references made herein to an "Disclosure Document" shall be replaced with the term "Offering Prospectus" as used under New York Law.

2. The UFOC Cover Page is amended as follows:

   - **REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.**

   - **THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE CIRCULAR. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE DESCRIBED IN THIS CIRCULAR.**

3. ITEM 3 is amended by the addition of the following language:

   - Neither franchisor, the franchisor's predecessor or an affiliate offering franchises under the franchisor's principal trademark, nor any person identified in ITEM 2 has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them alleging a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither franchisor nor any person identified in ITEM 2 has any pending actions, other than routine litigation incidental to the business, that are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

   - Neither franchisor, the franchisor's predecessor or an affiliate offering franchises under the franchisor's principal trademark, nor any person identified in ITEM 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been held liable in a civil action by final judgment or been the subject of a material compliant or other legal proceeding involving violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

   - Neither franchisor, the franchisor's predecessor or an affiliate offering franchises under the franchisor's principal trademark, nor any person identified in ITEM 2 is subject to any injunctive or restrictive order or decree relating to the franchises, or any Federal, State or Canadian

franchise, securities, antitrust, trade regulation or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency.

4. ITEM 4 is amended to state that:

- Neither the franchisor, nor its predecessor, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the Disclosure Document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.

5. ITEM 5 of the Disclosure Document is amended to add the following:

- The Franchise Fee will be used to defray franchisor's costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the Franchise Business for business.

6. ITEMS 6 and 11 of the Disclosure Document are amended to add the following:

- The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.

7. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687.4 and 687.5.

- ITEM 17(d) is amended to provide that you may terminate the Agreement on any grounds available by law.

- ITEM 17(j) is amended to state, that no assignment will be made except to an assignee who, in the good faith judgment of Franchisor, is able to assume our obligations under the Agreement.

- ITEM 17(w) is amended to state that New York Law governs any cause of action that arises under the New York General Business Law, Article 33, Section 680-695.

8. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

**FOR THE STATE OF NORTH DAKOTA**

**1.** ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.

- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

- The Franchise Agreement shall be amended to state that the statute of limitations under North Dakota Law will apply.

- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

- ITEM 17(v) is amended to state that a provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

**FOR THE STATE OF RHODE ISLAND**

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

**FOR THE STATE OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for The Glass Guru Franchise Systems, Inc. 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 ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**FOR THE STATE OF WASHINGTON**

ITEM 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

- A general release or waiver of rights executed by a Franchisee will not include rights under the Washington Franchise Investment Protection Act.

- Provisions such as those that 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.

- In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of arbitration, or as determined by the arbitrator.

**FOR THE STATE OF WISCONSIN**

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

# EXHIBIT I

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

## FINANCING DOCUMENTS

**DO NOT DESTROY THIS NOTE**:

*When paid, this Note must be surrendered for Cancellation*

**SECURED PROMISSORY NOTE**

Principal Amount of Note: _____

Interest Rate of Note: _____

Monthly Installment Payment of Note: _____

FOR VALUE RECEIVED, the undersigned, _____(the "Franchisee"), at _____ promises to pay to the order of The Glass Guru Franchise Systems, Inc. or its assigns (the "Franchisor"), at 1382 Blue Oaks Blvd., Ste. 213, Roseville, California 95678, or such place as Franchisor may designate in writing. Payment(s) shall be made in lawful money of the United States of America, and in immediately available funds, up to the full principal amount first listed above with interest as follows:

***6%- Credit Score >700***
***7%- Credit Score between 650-699***
***8%- Credit Score between 600-649***
***9%- Credit Score <600***

Terms of Payment: The principal and interest is payable in sixty (60) equal monthly installments (unless otherwise agreed to under this Note) in the amount first listed above beginning on _____ _____, 20___, and continuing the first day of each month thereafter until _____, 20 _____, at which time all unpaid principal and all accrued but unpaid interest shall be all due and payable.

Each payment shall be credited first to interest then due, and the remainder, if any, to principal, and interest shall thereupon cease to accrue upon the principal so credited. Should interest not be so paid, it shall thereupon bear like interest as the principal, but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law. Franchisee shall have the right to prepay this note, in whole or in part, at any time without penalty.

Event of Default: In the event Franchisee fails to pay the unpaid principal balance of this note and interest due hereunder within ten (10) days after receipt of written notice by Franchisor ("Event of Default"), Franchisor may proceed to protect and enforce its rights by suit in equity and/or by action at law or by other appropriate proceedings. No delay on the part of Franchisor in the exercise of any

power or right under this note, or under any other instrument executed pursuant thereto shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right preclude further exercise thereof. Notwithstanding anything to the contrary contained herein, if an Event of Default shall occur, all payments thereafter made hereunder shall be applied, at the option of Franchisor, first to costs of collection, and then to principal.

It is hereby specially agreed that if this note is placed into the hands of an attorney for collection, or if proved, established, or collected in any court, Franchisee agrees to pay to Franchisor an amount equal to all expenses incurred in enforcing or collecting this Note, including court costs and reasonable attorneys' fees.

Late Charge: If any payment of principal or interest due under this Note is not received by Franchisee within ten (10) days after the date due, a late charge of Seventy-Five ($75) dollars may be charged by Franchisor for the purposes of defraying expenses incident to handling such delinquent payments. Franchisee specifically agrees that this late charge represents a reasonable sum considering all of the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Franchisor due to the failure of Franchisee to make timely payments. The parties further agree that proof of actual damages would be costly or inconvenient. The late charges that accrue during any installment period shall be payable upon notice. Failure to demand or collect a late charge for any particular installment shall not waive Franchisor's right to collect late charges at any time.

Acceleration Upon Default: Upon failure to make any payment under this Note when due, the entire unpaid principal and all interest and any late charges under this Note shall immediately become due and payable at the election of the Franchisor, regardless of any prior forbearance, or notice(s) of such election being waived. During the existence of any such default, Franchisor may apply payments received on any amounts due hereunder, as said Franchisor may determine in its sole discretion.

Manner of Notification: Any notice to Franchisee provided for in this Note shall be given by personal delivery or by mailing such notice by first class mail addressed to Franchisee at the address stated in the first paragraph of this Note, or to such other address as Franchisee may designate by written notice to Franchisor. Any notice to Franchisor shall be given by personal delivery or by mailing such notice by first class mail to Franchisor at the address stated in the first paragraph of this Note, or at such other address as may be designated by written notice to Franchisee. Mailed notices shall be deemed delivered and received two (2) days after deposit in the United States mail in the manner provided for in this paragraph.

Security: Obligations under this Note ***are personally guaranteed*** and are secured by a Security Agreement, as expressed below, (collectively, the "***Related Documents***"). The Related Documents encumber all assets of Franchisee's Franchise Business.

Governing Law: This note shall be governed by and construed in accordance with the laws of the State of California and the United States of America. In the event any one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected thereby. Franchisee expressly waives any right to trial by jury.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____

NAME: Glen Greenfelder

TITLE: Chief Operating Officer

**FRANCHISEE:**

_____

Entity Name

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

**SECURITY AGREEMENT**

As a condition for Franchisor to agree to lend Franchisee the funds contemplated herein, Franchisee grants to Franchisor, a security interest in its property, tangible and intangible, including but not limited to: all accounts, now existing or subsequently arising; all contract rights of Franchisee, now existing or subsequently arising; all accounts receivable, now existing or subsequently arising; documents, and instruments related to accounts; inventory, furniture, fixtures, equipment, and supplies now owned or subsequently acquired; and the proceeds, products, and accessions of and to any and all of the foregoing (the "Collateral").

This security interest is granted to secure the debt evidenced by this note and agreement and all costs and expenses incurred by Franchisor in the collection of the debt.

Secured Parties Rights and Remedies

Upon written notice to Franchisee with an opportunity to cure any default, Franchisor shall have all the rights and remedies afforded a Franchisor by the chapter on "Default" of Division 9 of the California Commercial Code now in effect and all rights under the Related Documents including without limitation:

(a) all rights and remedies provided in this Agreement;

(b) all rights and remedies provided in the Note or other instrument secured by this Agreement; and,

(c) all rights and remedies provided in any other applicable security agreement and under any applicable California law.

Among the rights and remedies of Franchisor are specifically included:

**Right of Direct Collection:** Franchisor may, at Franchisor's option, notify any account Franchisee of Franchisee or any obligor on any obligation payable to Franchisee and serving as collateral for this Agreement to make payment to Franchisor, as provided in the California Uniform Commercial Code.

**Right to Control Proceeds:** Franchisor may, at Franchisor's option, take control of any and all proceeds to which Franchisor is entitled under the California Uniform Commercial Code, and Franchisee agrees to cooperate fully in executing any commercially reasonable direction made in the exercise of this right.

**[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.]**

**Right to Take Possession of the Collateral:** This shall include, but is not limited to:

(a) Right to Take Possession: Franchisor shall have the right to take possession of the Collateral.

(b) Franchisee's Cooperation: Franchisee will cooperate fully with Franchisor in the exercise of Franchisor's right to take possession of the collateral. This shall include, but is not limited to, an obligation to assemble and deliver the Collateral or some portion of the Collateral or some part or component of the collateral, on request of Franchisor, to a place designated by Franchisor where it shall be made available to Franchisor. Failure to cooperate shall constitute a breach of this Agreement, and Franchisee shall be liable for any and all expenses incident to such failure of cooperation.

**Right to Dispose of the Collateral:** This shall include, but is not limited to:

(a) Right of Disposition: Franchisor has a right to dispose of the Collateral by public or private proceeding and by way of one or more contracts. Such sale or other disposition of the Collateral may be made as a unit or in parcels and at any time and place and on any terms, provided only that disposition effected is commercially reasonable. Any actions so taken shall be considered commercially reasonable if made in the good-faith exercise of Franchisor's best business judgment in the matter.

(b) Place of Disposition: Franchisor has the right to dispose of the Collateral from the premises of Franchisee, and to this end Franchisee agrees to cooperate fully in facilitating such a disposition, which may include, on request, the obligation to assemble the Collateral at some designated location of Franchisee where the Collateral shall be made available to prospective Franchisee.

Franchisor remains free to dispose of the Collateral from any other location, provided such location is commercially reasonable. Any location normally employed by Franchisor in the disposition of like goods shall be considered a commercially reasonable location.

(c) Notice of Disposition: Franchisor shall give Franchisee notice of the time and place of any public sale of the Collateral or, in case of a private sale or disposition, of the time after which such private sale or disposition is intended. It shall be considered commercially reasonable if such notice is sent to Franchisee by first class mail 5 days prior to the public sale or the time after which the private sale or other disposition is intended.

There is no need for notice prior to disposition where the Collateral is perishable, or threatens to decline in value quickly, or where the Collateral is of a type customarily sold in a recognized market. In such event, the decision to so dispose of the Collateral shall be considered commercially reasonable provided only that it is made in the good-faith exercise of Franchisor's best business judgment in the matter.

(d) Proceeds of the Disposition: The proceeds of any disposition shall be applied as provided in the California Uniform Commercial Code and shall include any and all expenses provided in this Agreement. They shall also include attorney fees and legal fees to the extent such items are not prohibited by law.

(e) Deficiency: In the event of any deficiency, Franchisee shall be liable for such deficiency with interest at the rate of 10%, which shall accrue 5 days after receipt of written demand for payment of the deficiency.

(f) Financing Statement: Franchisor, at its discretion, may file one or more financing statements under the California Uniform Commercial Code, naming Franchisee as a debtor and Franchisor as secured party and indicating the Collateral specified in this Promissory Note and Security Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement in duplicate originals by their duly authorized officers or representatives.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____
NAME: Glen Greenfelder
TITLE: Chief Operating Officer

**FRANCHISEE:**

_____
Entity Name

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

BY: _____
NAME: _____
TITLE: _____

**PERSONAL GUARANTY**

Guaranty made_____, 20___, by _____ whose address is _____ ("Guarantor"), to The Glass Guru Franchise Systems, Inc. whose address is 1382 Blue Oaks Blvd., Ste. 213, Roseville, California 95678(the "Franchisor").

**Recitals**

(a) Guarantor or shall be the shareholders and the spouses of the shareholders of franchisee (the "***Franchisee")***; and,

(b) The Franchisee has entered into a promissory note ("Note") and Franchise Agreement on the day and year first written above, and other documents, instruments and agreements, that provide for, among other things, payment to Franchisor of the franchise fee.

**Agreements**

In consideration of Franchisor entering into the Note and related agreements, the individual executing this Guaranty unconditionally and irrevocably guarantees to Franchisor, their successors and assigns, the prompt payment and performance of all obligations of the Franchisee under the Note. If Franchisee defaults under the Note, Guarantor will immediately perform all obligations of Franchisee under the Note, including, but not limited to, payment of all amounts due under the Note.

Guarantor will pay to Franchisor all expenses (including attorneys' fees) incurred by Franchisor to enforce Franchisor rights against Guarantor. This Guaranty will not be discharged or affected by the death, dissolution, termination, bankruptcy or insolvency of Franchisee or Guarantor and will bind Guarantor's heirs, personal representatives, successors and assigns. If more than one Guarantor has signed this Guaranty, each Guarantor agrees that their liability is joint and several. Guarantor agrees to provide any and all additional information requested by Franchisor in connection with this Guaranty.

**[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.]**

THIS GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF California. Guarantor consent to the jurisdiction of THE state OF CALIFORNIA or ANY federal court located IN CALIFORNIA AND VENUE IN SACRAMENTO, CALIFORNIA. Guarantor EXPRESSLY WAIVES ANY RIGHT to A TRIAL BY JURY.

**FRANCHISOR:**

THE GLASS GURU FRANCHISE SYSTEMS, INC.

BY: _____

NAME: Glen Greenfelder

TITLE: Chief Operating Officer

**FRANCHISEE:**

_____

Entity Name

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

# ITEM 23

TO THE DISCLOSURE DOCUMENT

THE GLASS GURU FRANCHISE SYSTEMS, INC.

# RECEIPTS

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If The Glass Guru Franchise Systems, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days (and 10 business days in Michigan and Oregon) before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

If The Glass Guru Franchise Systems, Inc. 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 state agencies listed in Exhibit B.

The franchise seller for this offering is:
Dan Frey, 1382 Blue Oaks Blvd., STE. 213, Roseville, CA 95678 (916) 846-7757
Glen Greenfelder, 1382 Blue Oaks Blvd., STE. 213, Roseville, CA 95678 (916)865-4417

_____.

Issuance Date: March 22, 2019

The Glass Guru Franchise Systems, Inc. authorizes the respective state agencies identified in Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated March 22, 2019, that included the following Exhibits:

A. FRANCHISE AGREEMENT
    1. SPECIFICS
    2. GENERAL RELEASE
    3. NONDISCLOSURE AND NON-COMPETITION AGREEMENT
    4. GUARANTY AND ASSUMPTION OF OBLIGATIONS
    5. HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE; OFFICERS; DIRECTORS
    6. ASSIGNMENT OF TELEPHONE NUMBERS AND INTERNTET TOOLS
    7. MULTI-STATE ADDENDA

B. LIST OF STATE ADMINISTRATORS
C. LIST OF STATE AGENTS FOR SERVICE OF PROCESS

D. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
E. FINANCIAL STATEMENTS
F. LISTS OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. MULTI-STATE ADDENDA
I. FINANCING DOCUMENTS

Please sign and print your name below, date and return one copy of this receipt to THE GLASS GURU FRANCHISE SYSTEMS, INC. and keep the other for your records.

_____ _____

Date of Receipt Print Name, Title

_____

Signature

a _____ corporation
(State of incorporation)

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## RECEIPT

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New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to us or an affiliate in connection with the proposed franchise sale.

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_____ _____

Date of Receipt Print Name, Title

_____

Signature

a _____ corporation

(State of incorporation

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