FRANCHISE DISCLOSURE DOCUMENT

Franchise Concepts, Inc.
a Delaware corporation

www.thegreatframeup.com ▪ thegreatframeup@fcibiz.com

221 First Executive Avenue ▪ St. Peters, Missouri 63376
Telephone (866) 719-8200 ▪ Telefax (877) 832-6694

3730 Kirby Drive ▪ Suite 1200 #277 ▪ Houston, Texas 77098
Telephone (866) 719-8200 ▪ Telefax (877) 832-6694

A The Great Frame Up franchisee sells frames, framing services, and related products.

The total investment necessary to begin operation of a The Great Frame Up franchised business is $113,682 to $188,615 for an original store, and $46,795 to $116,479 for a showroom store. This includes $30,000 for an original store, and $2,000 for a showroom store, that must be paid to the franchisor or its affiliates. The Company offers a Market Unit Addendum ("MUA") to the Franchise Agreement. Under an MUA, you are required to open one full store within 12 months, and 2 showroom stores within 30 months after the opening of the full store, within a specified geographic area.

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 David Dahl at 221 First Executive Avenue, St. Peters, Missouri 63376, telephone (800) 543-3325.

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

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

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

Issuance Date: April 1, 2019

STATE COVER PAGE

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 administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN TEXAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR OWN HOME STATE.

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

3. INDIVIDUALS WHO MAY NOT BE INVOLVED IN THE FRANCHISED BUSINESS MUST EXECUTE A PERSONAL GUARANTY PLACING THEIR PERSONAL ASSETS AT RISK.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective Date: See the next page for state effective dates

Franchise Concepts, Inc.

The Great Frame Up

Franchise Disclosure Document Effective Dates
In Designated States

The following states require that the Disclosure Document be registered or filed with the state or be exempt from registration: California, Florida, 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, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity) laws as of the dated listed below:

State of California:	pending
State of Illinois:	pending
State of Indiana:	pending
State of Maryland:	pending
State of Minnesota:	December 29, 1998, as amended pending
State of Virginia:	pending
State of Washington:	pending
State of Wisconsin:	April 1, 2019

TABLE OF CONTENTS

ITEM **PAGE**

TABLE OF CONTENTS
(Continued)

EXHIBITS

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "the Company," “FCI,” “us,” “our” or "we" means Franchise Concepts, Inc., the franchisor. “You," “your,” or “the Franchisee” means the person who buys this franchise and your spouse, and may include a corporation or a partnership. If a corporation or a partnership is the franchisee, "you" will also include the franchisee's owners.

FCI is a Delaware corporation that was incorporated in February 1998. We operate The Great Frame Up franchise system (“TGFU”) as a division of FCI.

FCI’s and TGFU’s addresses are 221 First Executive Avenue, St. Peters, Missouri 63376 and 3730 Kirby Drive, Suite 1200, #277, Houston, Texas 77098. From August 2004 until August 2009, FCI’s address and TGFU’s address in Missouri was 101 South Hanley, Suite 1280, St. Louis, Missouri 63105. Our address in Texas from February 2009 until May 2013 was 1400 Louisiana Street, Houston, Texas 77002, and from June 2013 until April 2014 was 1300 McGowen Street, Houston, Texas 77004.

We also offer franchises under the name Deck The Walls (“DTW”), and franchises under the name Framing & Art Centre (“FAC”) through our subsidiary Mapleleaf, Inc. See below in this Item for more information on DTW and FAC. This Disclosure Document is only for the offer of The Great Frame Up franchises, and not for the offer of DTW or FAC franchises.

FCI Holdings Company, Inc. ("FCIHC") is a Delaware corporation, incorporated in February 2004. In March 2004, FCIHC acquired 100% of the stock of FCI. FCIHC has never offered franchises under its name or any other name, and its sole assets are FCI and the affiliates in this Item. The address of FCIHC is 221 First Executive Avenue, St. Peters, Missouri 63376.

The Company's agents for service of process are disclosed in Exhibit A.

We have sold franchises for the operation of retail stores known as "The Great Frame Up" since January 2007. As of December 31, 2018, there were 72 franchised units and no Company-owned units operating under the name "The Great Frame Up."

The Great Frame Up retail stores offer frames, framing services, and related products. The Great Frame Up franchisee operates the franchise pursuant to The Great Frame Up System, which includes the Company's standards, specifications, methods and procedures. The System also includes the use of the trademark and trade name "The Great Frame Up." The services and products of The Great Frame Up stores are offered to all segments of the public, and the stores are generally located in strip centers. There are no regulations specific to the services and products offered by The Great Frame Up stores, except for laws or regulations which apply to retail businesses generally.

The Company offers existing The Great Frame Up franchisees the opportunity to establish a showroom store. All information in this Disclosure Document is applied to the purchase of a showroom store unless specifically and otherwise stated.

The Company offers a Market Unit Addendum ("MUA") to the Franchise Agreement. Under an MUA, you are required to open one full store within 12 months of signing a The Great Frame Up Franchise Agreement, and 2 stores within 30 months after you open your original The Great Frame Up Store. All information in this Disclosure Document applies to the MUA unless specifically and otherwise stated.

You will compete with other stores and online businesses that offer a wide range of frames, prints, and framing services, similar to those offered by The Great Frame Up stores, including stores which may be located in the same strip center as your The Great Frame Up franchise. Existing or new competitors in the market may offer similar goods and engage in aggressive promotion which may include discounting.

AFFILIATED FRANCHISE SYSTEMS

Deck The Walls

Deck The Walls ("DTW") is a division of FCI which offers franchises. The principal addresses of DTW are 221 First Executive Avenue, St. Peters, Missouri 63376 and 3730 Kirby Drive, Suite 1200, #277, Houston, Texas 77098. From August, 2004 until August 2009, DTW's address in Missouri was 101 South Hanley, Suite 1280, St. Louis, Missouri 63105. DTW's address in Texas from February 2009 until May 2013 was 1400 Louisiana Street, Houston, Texas 77002, and from June 2013 until April 2014 was 1300 McGowen Street, Houston, Texas 77004. As of December 31, 2018, DTW had 7 franchised units and no Company-owned units operating under the name "Deck The Walls." A Deck The Walls store is generally located in malls and shopping centers and offers for retail sale art work, prints and custom framing services. DTW never offered franchises under any other name or in any other line of business.

Framing & Art Centre (Mapleleaf, Inc. and Mapleleaf Franchise Concepts, Inc.)

Mapleleaf, Inc. ("Mapleleaf"), a Delaware corporation, and Mapleleaf Franchise Concepts, Inc. ("MFC") are wholly-owned subsidiaries of FCI. Through a license agreement with Mapleleaf, MFC offers Framing & Art Centre franchises in Canada. A Framing & Art Centre offers retail framing services and artwork, and stores are primarily located in strip centers. As of December 31, 2018, Mapleleaf and MFC had 16 Framing & Art Centres located in Canada and no company-owned stores. Mapleleaf's principal address is 221 First Executive Avenue, St. Peters, Missouri 63376. From August 2004 until August 2009, Mapleleaf's address was 101 South Hanley, Suite 1280, St. Louis, Missouri 63105. MFC's principal address is 3524 Mainway, Burlington, Ontario L7M 1A8. Neither Mapleleaf nor MFC have offered franchises under any other name or in any other line of business.

PREDECESSORS AND PARENT COMPANIES

There are no other predecessors or parent companies that need to be disclosed in this Disclosure Document.

All information contained in this Disclosure Document regarding the offer and sale of franchises applies only to such activity within the United States.

ITEM 2

BUSINESS EXPERIENCE

1. Chief Financial Officer: Joseph A. Lynch

   Joseph A. Lynch has served as Chief Financial Officer of FCI since January 2007.

2. Vice President of Franchise Development: D. David Dahl

   D. David Dahl has served as Vice President of Franchise Development of FCI since January 2007.

3. Director of Stores: Keith J. Ernst

   Keith J. Ernst has served as Director of Stores since February 2009. From June 2003 until the present, Mr. Ernst has owned and operated a The Great Frame Up franchise in St. Louis, Missouri.

4. Marketing Manager: Jaclyn Sullivan

   Jaclyn Sullivan has served as Marketing Manager for FCI since June 2017. From August 2013 until June 2017 she was Marketing Coordinator for FCI. From January 2013 until May 2013, Ms. Sullivan was an Assistant Brand Manager for Wilson Monnig Creative in St. Peters, Missouri.

5. Regional Sales Manager: Denise Conte

   Denise Conte has served as Regional Sales Manager for FCI since January 2007. From January 1987 until the present, Ms. Conte has owned and operated Creative Force in New York, New York.

6. New Store Construction Manager & Regional Sales Manager: Thomas Adams, CPF

   Thomas Adams has served as New Store Construction Manager and as Regional Sales Manager for FCI since January 2007.

7. Director of Education and Regional Sales Manager: P. David Lantrip, MCPF, GCF

   P. David Lantrip has served as Director of Education and Regional Sales Manager for FCI since January 2007.

8. Senior Accountant: Caryn Comeau

   Caryn Comeau has served as Senior Accountant for FCI since August 2018, and as an Accountant for FCI from August 2017 until July 2018. From December 2016 until August 2017, she was a Financial Business Plan Analyst for Amdocs, Inc. in Chesterfield, Missouri. From June 2006 until December 2016, Ms. Comeau was a Staff Accountant for Synergetics, Inc. in O’Fallon, Missouri.

ITEM 3

LITIGATION

We were not a party to any material civil actions involving the franchise relationship in the last fiscal year required to be disclosed in this Item, except for the following actions filed by the Company to enforce the terms of the Franchise Agreement and to which no counterclaims were filed:

Franchise Concepts, Inc. v. Kerry Lynch, District Court of Harris County, Texas, 152nd Judicial District, case no. 2018-07378, filed on February 2, 2018.

Franchise Concepts, Inc. v. Jonise Oliva, District Court of Harris County, Texas, 151st Judicial District, case no. 2018-05886, filed on January 27, 2018.

Franchise Concepts, Inc. v. Thomas L. Hartzell and Christine Hartzell, District Court of Harris County, Texas, 157th Judicial District, case no. 2018-85544, filed on November 30, 2018.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Except as described in this Item, all new franchisees pay a $30,000 lump sum franchise fee when they sign the Franchise Agreement. Veterans of the United States military forces who have been honorably discharged pay a reduced franchise fee of $25,000 in a lump sum when they sign the Franchise Agreement. There are no refunds under any circumstances.

Currently, existing The Great Frame Up franchisees may purchase a second franchise or a showroom store with no initial franchisee fee, but must pay a $2,000 administrative fee. The administrative fee is not refundable under any circumstances.

If you sign an MUA, you will pay the initial franchise fee of $30,000 for your first store, and an administrative fee of $4,000 for the 2 showroom stores, in one lump sum, when you sign the MUA. There are no refunds if you do not open any one of the stores as stated in the MUA.

Under certain circumstances, independently owned and operated art and framing stores may convert to a The Great Frame Up franchise store without paying a franchise fee. This Disclosure Document, however, is not an offer under The Great Frame Up Conversion Program.

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	6% of gross sales.	Payable on Monday of each week by ACH transfer	Gross sales include all revenue from the franchise location. Gross sales do not include sales tax.
Advertising	2% of total gross sales.	Same as royalty fee	See Note 2
Fees for Tardy Submissions of Sales Reports	$10.00 per day each day Sales Report is late.	Upon payment of royalties	
Transfer	25% of the then current Initial Franchise Fee.	The earlier of prior to consummation of transfer or prior to the transferee attending training	Payable when you sell your franchise. No charge if franchise transferred to a corporation which you control.
Audit	Cost of audit plus 10% interest on underpayment.	30 days after billing	Payable only if audit shows an understatement of at least 1% of gross sales for any month.
Policy & Procedures Manual Replacement Fee	$500.00	Upon reissue of Policy & Procedures Manual	Payable only if your Manual is lost or destroyed.
Lifesaver Annual Maintenance Fee	$395 per year, after the first year	On the anniversary date of the annual renewal of your contact with Lifesaver	Payable directly to Lifesaver Software, Inc.
FrameVue Maintenance Fee	$199 per year, after the first year	On the anniversary date of the annual renewal of your contract for FrameVue	Payable directly to Lifesaver Software, Inc.

Note 1

All fees are imposed by and are payable to the Company unless otherwise stated in the chart or these Notes. All fees are non-refundable unless it is otherwise stated in these Notes. All fees are uniformly imposed upon all franchisees.

Note 2

The Company has established and administers a Marketing Fund. Under the Franchise Agreement, you are required to pay 2% of your gross sales to the Marketing Fund. However, the Company has instituted a policy by which you are permitted to remit to the Marketing Fund only 1.5% of gross sales. To qualify for this program, you must supply to the Company, upon the Company's request, proof that you have spent locally, during the past calendar year, 1/2% of gross sales on approved local advertising in accordance with the Company's Policy & Procedures Manual.

There may be additional advertising requirements contained in your premises lease. The extent of such advertising requirements may be subject to negotiation; consequently, the extent of any such advertising obligation, if any, may be unknown to the Company.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CATEGORY OF INVESTMENT	AMOUNT (Original Store)	AMOUNT (Showroom Store)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee	$30,000 (Note 2)	$2,000 (Note 2)	Lump sum	Prior to Execution of Franchise Agreement	The Company
Travel and living expenses while attending initial training	$1,000-$2,500	$0	As Incurred	During Training	Airlines, Hotels and Restaurants
Real Estate	(Note 3)	(Note 3)			
Opening Inventory	$5,106-$8,873 (Note 4)	$5,106-$8,348 (Note 4)	Lump Sum	Prior to Opening	Suppliers
Equipment	$13,084-$29,492 (Note 5)	$8,489-$19,437 (Note 5)	Lump Sum	Prior to Opening	Contractors and/or Suppliers
Fixtures	$10,000-$22,260 (Note 6)	$10,000-$16,704 (Note 6)	Lump Sum	Prior to Opening	Contractors and/or Suppliers
Architect Fee	$0-$10,000 (Note 7)	$0-$10,000 (Note 7)	Lump Sum	Prior to Opening	Contractors and/or Suppliers
Leasehold Improvements	$12,788-$21,070 (Note 8)	$6,000-$21,070 (Note 8)	Lump Sum	Prior to Opening	Contractors and/or Suppliers
Freight and Storage	$3,633–$8,000	$1,000-$5,000	As Incurred	Prior to Opening	Suppliers
In-Store and Store Front Signage	$3,071–$4,520 (Note 9)	$2,000-$4,520 (Note 9)	Lump Sum	Prior to Opening	Suppliers
Miscellaneous Opening Costs	$1,300–$2,000 (Note 10)	$1,000-$2,000 (Note 10)	As Incurred	As Incurred	Suppliers, Utilities, etc.
Insurance	$1,200-$2,400 (Note 11)	$1,200-$2,400 (Note 11)	Lump Sum	Prior to Opening	Insurance Company

CATEGORY OF INVESTMENT	AMOUNT (Original Store)	AMOUNT (Showroom Store)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Grand Opening Advertising	$22,500 (Note 12)	$10,000 (Note 12)	Lump Sum	At Training	National Marketing Fund
Additional Funds-3 Months	$10,000-$25,000 (Note 13)	$0-$15,000 (Note 13)	As Incurred	As Needed	Employees, Creditors and/or Suppliers
***TOTAL**	**$113,682-$188,615**	**$46,795-$116,479**			

***Does not include Real Estate Costs, Royalties, or Marketing Fund Contribution.**

Note 1

None of the fees listed above are refundable once they are incurred by you. The Company does not offer financing for any of the fees listed in the above chart.

Note 2

If you are an existing Franchisee, the initial franchise fee is waived, and you pay an administrative fee of $2,000 for additional stores. The Company offers a Market Unit Addendum ("MUA") to the Franchise Agreement. Under an MUA, you are required to open one full store within 12 months, and 2 showroom stores within 30 months after the opening of the full store, within a specified geographic area.

Note 3

Lease payments will vary significantly depending upon the geographic location, terms of the lease, the total area of your store, and various other fees for occupancy charged by the lessor. The average space which the Company will approve will range from 800 to 2,000 square feet for an original store and 800 to 1,200 square feet for a showroom store. The base rent for one year may range from $6 to $40 per square foot, depending on the location. In addition, there may be other charges by the landlord such as a one-time Grand Opening assessment.

Note 4

The cost of initial inventory will vary depending on your store size. The estimated amount for original stores is based on our recommended inventory purchase level. The estimated amount for showroom stores is based upon a reduced supply of inventory because you will frame off-premises in your main store.

Note 5

This amount includes the computer systems that you must purchase for your store. You are required to purchase 3 computer systems, a laptop computer, and the necessary software for electronic communications for an original store. You must bring the laptop to your initial training in St. Peters, Missouri. You are required to purchase 3 computer systems and the necessary software for electronic communications for a showroom store, but not a laptop computer. See Item 11 for more information about the computer equipment.The estimated amount for showroom stores is based on less equipment in the store because you will frame off-premises in your main store.

Note 6

The cost of the fixtures will vary depending on the size, configuration, and location of your store.

Note 7

You will pay this fee if you hire an architect or other qualified engineer to conform our approved plans to your leased space.

Note 8

The estimated amount for leasehold improvements is based on the Company's experience with existing franchisees and its own updated cost estimates. Your cost of construction will depend upon the size of the space, whether the space is new construction or previously occupied, if there is a landlord allowance in the form of either cash or free rent, and your geographical area of the country.

This estimated amount includes the estimated cost of construction and the following:

1. Furnishing the Company with a site layout and plan adopting the Company's plans and specifications, prepared by your architect and/or engineer if you choose to hire an architect and/or engineer.
2. Obtaining approval of such plans and specifications from the landlord and local building authorities.
3. Obtaining Payment and Performance Bonds for construction of the franchised store.
4. Employing a qualified representative, approved by the Company, to supervise the construction of the franchised store.

If an existing store is purchased by you, the leasehold improvements may already be in place.

Note 9

The estimated amount for signage includes both store front and in-store signs. Pricing will vary depending on your landlord's sign criteria and your location within the shopping center.

Note 10

This amount includes utility deposits, business licenses and permits. Some states require a tax deposit, which in some cases, may be covered by a bond or interest bearing deposit with a bank or with the state.

Note 11

Insurance requirements under the Franchise Agreement are summarized as follows:

Commercial Property Coverage	$	200,000
Commercial General Liability	$	1,000,000
Umbrella Liability	$	1,000,000
Car Coverage	$	1,000,000
Robbery (on premises)	$	10,000
Robbery (off premises)	$	2,000

Insurance costs may not be uniform since premiums differ depending upon location, amounts of insurance acquired, the insurance company's assessment of risk, the location of the insured business and business premises, insurance requirements of the landlord as set forth in the business premises lease, and applicable law.

Note 12

For an original store, the amount of $12,500 will be spent on grand opening advertising during the first 16 weeks after you open your store. The additional amount of $10,000 will be spent on continued advertising during the remainder of the first year after you open your store. For a showroom store, the amount of $10,000 will be spent on grand opening advertising during the first 16 weeks after you open your store.

Note 13

This estimates your initial start up expenses, and are based on the experience of other franchisees who opened a new store as well as our own estimates. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICE

You must purchase all equipment, including computer hardware and software, supplies and inventory in accordance with specifications issued by the Company. These specifications include design, appearance and quality. You must also purchase inventory and equipment from our approved vendors. Our specifications for vendor approval include warranty, reliability and delivery. All specifications for inventory and vendors will be given to you upon your request.

If you wish to purchase inventory or equipment not previously approved by the Company, or from an unapproved vendor, you must submit to us a written request. We will investigate the vendor and examine the product, and may charge you a fee which will not exceed the cost of our examination. Typically, we will give you a written response within 30 days.

The Company maintains a National Vendor Program list. The vendors on the list are approved by us, and in many cases we have negotiated purchase arrangements with these vendors, including price and credit terms. However, you are not prohibited from negotiating your own terms with these or other vendors.

The purchase of inventory and approved product will represent approximately 80% of your overall purchases in operating the store. Approved vendors may pay the Company an annual fee of $250 to $2,000 as a national vendor administrative fee. During the year 2018, the Company did not collect any amount from approved vendors for either the TGFU or the DTW franchise systems. If the Company receives an amount from vendors in the future, the Company may deposit the amount in its general operating account, and may use a portion of the proceeds for franchisee education during national and regional meetings.

The Company has arranged with an approved vendor to fulfill sales made over the Internet which are credited to franchisees or are referred through franchisees' web sites (see Item 12). We receive an administrative fee on these sales. During the calendar year of 2018, we received $3,441 in administrative fees on these sales through The Great Frame Up and the Deck The Walls systems. From the administrative fees, we paid for general management of the program.

Other than disclosed in this Item, we do not seek or accept commissions or any other payments or consideration from approved vendors, other than a nominal charge for the National Vendor Program listing. Sometimes, approved vendors offer advertising or other promotional allowances or benefits in connection with the sale of their products. In this case, we may accept the allowance and, if the allowance is in cash, we will deposit the allowance into the Marketing Fund.

Neither the Company, nor any person affiliated with the Company, is an approved supplier for any category of products or services, or owns an interest in any approved supplier.

Your premises lease is subject to the Company's approval. In order to obtain our approval, the lease must include the following provisions:

1) The premises are used for the business licensed under the Franchise Agreement.
2) The Company will have the right to enter the premises to make any modifications necessary to protect our Proprietary Marks.
3) Upon the written request of the Company, the landlord will supply us with a written copy of the lease, your account information, sales reports, and any other related information.
4) The Company will have the option, but not the obligation, to assume the lease and occupy the business premises, with the right to sublease to another franchisee, upon the default, termination or expiration of the Franchise Agreement or the lease. The landlord will give the Company 30 days, upon termination of your rights under the lease, to exercise its option.
5) The lease may not be amended, assigned or sublet without the Company's prior written approval.
6) For a period of 2 years after termination or expiration of your The Great Frame Up Franchise Agreement, the landlord will not enter into a lease with you for business premises for the retail sale of artwork, prints or framing services, within the shopping center in which your The Great Frame Up franchise was located.

As of the date of this Disclosure Document, there are no purchasing and distribution cooperatives in The Great Frame Up system, except for cooperative advertising and group discounts as disclosed in this Item. We provide no material benefits (such as renewal or granting additional franchises) based on your use of designated or approved sources.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	ARTICLE IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition	Articles II, V(A), V(B) and V(C) of Franchise Agreement	Items 6 and 11 of Disclosure Document
b. Pre-opening purchases/leases	Articles V(E), V(G) and V(H) of Franchise Agreement	Item 8 of Disclosure Document
c. Site development and other pre-opening requirements	Article V of Franchise Agreement	Items 6, 7 and 11 of Disclosure Document
d. Initial and ongoing training	Articles IV(A) and V(I) of Franchise Agreement	Item 11 of Disclosure Document
e. Opening	Article IV(B) of Franchise Agreement	Item 11 of Disclosure Document
f. Fees	Article III of Franchise Agreement	Items 5 and 6 of Disclosure Document
g. Compliance with standards and policies/Policies & Procedures Manual	Articles V(E), V(F), V(G), V(H), V(K), V(L) and V(M) of Franchise Agreement	Item 11 of Disclosure Document
h. Trademarks and proprietary information	Article VII of Franchise Agreement	Items 13 and 14 of Disclosure Document
i. Restrictions on product/ services offered	Articles V(E), V(F), V(G) and V(H) of Franchise Agreement	Item 16 of Disclosure Document
j. Warranty and customer service requirements	Article V(M) of Franchise Agreement	Item 11 of Disclosure Document
k. Territorial development and sales	None	Not Applicable
l. Ongoing product/service purchases	Articles V(E), V(F) and V(H) of Franchise Agreement	Item 8 of Disclosure Document
m. Maintenance, appearance and remodeling requirements	Articles IV(D)(2), V(K) and V(L) of Franchise Agreement	Item 11 of Disclosure Document

OBLIGATION	ARTICLE IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
n. Insurance	Article XI of Franchise Agreement	Items 6 and 8 of Disclosure Document
o. Advertising	Article IX of Franchise Agreement	Items 6 and 11 of Disclosure Document
p. Indemnification	Article XI(E) of Franchise Agreement	Item 6 of Disclosure Document
q. Owner's participation/ management/staffing	Ownership Management Addendum	Items 11 and 15 of Disclosure Document
r. Records/reports	Article X of Franchise Agreement	Item 6 of Disclosure Document
s. Inspections/audits	Articles X(D) and X(E) of Franchise Agreement	Items 6 and 11 of Disclosure Document
t. Transfer	Article XII of Franchise Agreement	Item 17 of Disclosure Document
u. Renewal	Article II of Franchise Agreement	Item 17 of Disclosure Document
v. Post-termination obligations	Article XIV of Franchise Agreement	Item 17 of Disclosure Document
w. Non-competition covenants	Article XV of Franchise Agreement	Item 17 of Disclosure Document
x. Dispute resolution	Articles XXII and XXIII of Franchise Agreement	Item 17 of Disclosure Document

ITEM 10

FINANCING

The Company does not offer financing from any source or guarantee your obligations to third parties.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you open your business, we will:

1) Review your location and exclusive territory within 60 days of your request (Articles I, II and VI).

We do not own sites for leasing to franchisees. You select your business site subject to our review. The Company generally approves sites in shopping centers which have adequate parking, are in a market that serves at least 15,000 households, have acceptable retail tenants, and are highly visible. If we object to your proposed business site, you may not sign a lease for that site, and you must present to us an alternative business site that meets our criteria.

We will approve or disapprove in writing any site you propose within 30 days of a written proposal from you. If we cannot agree upon a location within one year following the date we sign the Franchise Agreement, then either you or we can terminate the Franchise Agreement. We will not refund any portion of the initial franchise fee to you. If you sign an MUA, you must open your 2 showroom stores within a 30 month period after you open your full store.

Franchisees typically open their stores from 3 to 12 months after signing the Franchise Agreement. The factors which affect this time include agreement upon a site, lease negotiations with the landlord, store construction, and merchandising.

2) Within 30 days of approving your location, we will provide written specifications for store construction or remodeling and for all required equipment, inventory and supplies (Franchise Agreement, Article IV.D).

3) Upon registration in the initial training program, we will lend to you one copy of The Great Frame Up Policy & Procedures Manual which contains mandatory and suggested standards and procedures. The Policy & Procedures Manual is confidential and remains the Company's property. The Company may modify the Manual, but the modifications will not alter your status and rights under the Franchise Agreement. (Franchise Agreement, Articles IV.C and VIII).

See below in this Item 11 for the Table of Contents of the Manual as of the date of this Disclosure Document.

4) Within 12 months of signing of the Franchise Agreement, we will train and instruct you and one other person (Franchise Agreement, Article IV.A). See below in this Item 11 for more information on the training program.

Obligations After Opening

1) We will provide inspections of your business that we feel are advisable and evaluate the products and services which you sell (Franchise Agreement, Article IV.D).

2) We will provide to you the Company's standards and specifications, upon your request (Franchise Agreement, Article IV.D).

Advertising

Advertising Cooperatives

Under the Franchise Agreement, the Company has the power to require advertising cooperatives to be formed, changed, dissolved or merged. Currently, we do not require any regional or local advertising cooperatives for The Great Frame Up system. If we establish regional or local advertising cooperatives, each cooperative will be comprised of a metropolitan statistical area determined by the Company. If a cooperative is established in your area, we will notify you in writing that you must join. The Franchise Agreement does not require stores owned by the Company to participate in a cooperative, but we do not currently own any stores. Franchisees' contributions to the cooperatives, and each cooperative's bylaws, will be determined by a majority vote of the franchisees within the respective cooperative. The bylaws must be in writing, with a copy of the bylaws distributed to any member franchisee upon request. An annual financial statement must be prepared by each cooperative and available to each member franchisee upon request, but the financial statement will not need to be audited. Expenditures by the regional advertising cooperatives need not be in proportion to the contributions you make or any other franchisee makes. The members of each cooperative will elect a member to administer the cooperative.

Marketing Fund

You must contribute to the Marketing Fund (the "Fund") (Franchise Agreement, Article III.A.3). Under the Franchise Agreement, you are required to pay 2% of your gross sales to the Marketing Fund. Currently, the Company has a policy by which you are permitted to remit to the Marketing Fund only 1.5% of gross sales, provided you supply to the Company, upon the Company's request, proof that you have spent 1/2% of gross sales on approved local advertising. (See Item 6.)

We will direct all marketing programs and control the creative concepts, materials and media used, media placement and allocation. We do not need to make expenditures for you which are equivalent or proportionate to your contributions. We do not need to ensure that any particular franchisee benefits directly or proportionately from Fund marketing. The Fund is not a trust and we are not a fiduciary.

The Fund may be used to meet all costs of administering, directing, preparing, placing and paying for national, regional or local advertising. We do not need to maintain the money paid by franchisees to the Fund, and income earned by the Fund, in a separate account. But we may not use this money for any purposes other than those provided for in the Franchise Agreement.

The Fund will not be used to solicit the sale of franchises.

The Fund is currently audited every year. We will distribute an audited statement detailing Marketing Fund income and expenses for the previous fiscal year to any franchisee upon request, or we may post the statement on our intranet.

We will spend most contributions to the Fund for advertising purposes during the fiscal year in which the contributions are made. If we spend more than the amount in the Fund in any fiscal year (in addition to any money we have to spend because we did not spend all the money in the Fund during the year before), then we can reimburse ourselves from the Fund during the next fiscal year or subsequent years for all excess expenditures. If we spend less than the total in the Fund during any fiscal year, we may spend the unused money during the next fiscal year or subsequent years.

We have no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that any particular franchisee benefits directly or proportionately from the placement of advertising, or to insure that marketing impacts or penetrates your territory.

Although we intend the Fund to be perpetual, we can terminate the Fund at any time. We will not terminate the Fund until it has spent all money in the Fund for marketing and promotional purposes.

The Fund collects advertising fees from all franchisees. The Company does not own any stores. However, if the Company established Company-owned stores in the future, each store would contribute to the Marketing Fund on the same basis as franchisees.

The Great Frame Up Marketing Fund is administered by the Company's Marketing Manager (See Item 2). During the last calendar year of the Marketing Fund (ending on December 31, 2018), The Great Frame Up Marketing Fund spent 85% of its total disbursements on the production of advertisements and research and program expenses, and spent 15% of its disbursements on internal administration costs.

Other Advertising Information

The Company has developed a Franchisee Advisory Council which advises the Company on the administration of the Fund, but the Company has the final authority to determine administration of the Fund. The Company has the ability to alter or disband the Council at any time, but currently has no plans to do so. The Franchisee Advisory Council has 4 members: 3 members are elected by the franchisees and 1 member is appointed by the Company.

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or territory. We currently prepare advertising in-house and do not use an advertising agency, although we may do so in the future. Materials provided by the Fund to all franchisees include print advertisements that you can edit and use for direct mail, newspapers, magazines, and on the Internet. You will have access to these creative materials at no charge. However, you must place these advertisements at your own cost.

You may develop advertising materials for your own use, at your own cost. The Company must approve the advertising materials in advance and in writing. If you do not receive written disapproval from the Company within 30 days from the date we receive the materials, you may use the advertising materials.

The Company may initiate marketing programs intended to enhance sales. These may include, by way of illustration and not of limitation, gift cards, advertising on-line, combination or interchange programs with other companies, catalog, direct mail, and telemarketing. You are obligated to participate fully in all such programs according to their terms as prescribed by the Company.

Electronic Cash Register/Point of Sale System

Before you open your franchised business, you must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the "point of sale system"). You must obtain high-speed communications access for your point of sale system, such as cable, broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail address for your business (other than the one provided to you by us).

The required point of sale system is operated on the Microsoft Windows system, and may be purchased from any source. It includes 2 point of sale computers, receipt printer, and a cash drawer compatible with the point of sale application. You must also have at least one computer and a large monitor in your store to allow orders from an artwork catalog. You are also required to have a laptop computer for the initial training program. This equipment may be leased or purchased. We have independent access to information and reports generated by the point-of-sale system on this computer system.

The following are the current specifications for the required point of sale system: a POS with 2 central units (CPUs) with 3.13 GHZ processors; 1 GB SDRAM; 80 Gigabyte Hard Drive; DVD and CDRW ROMs; 1 Passive External Data Backup Service; 1 laser printer; 1 Star Receipt Printer; 1 Electronic Cash Drawer; 2 15" (minimum) flat panel monitors and 1 40" (minimum) LCD flat panel monitor/television with 1 appropriate television wall mount; 1 USB to VGA or HDMI video card capable of running additional monitors; UXGA, HDMI or VGA monitor extension cable; keyboard; mouse; and Windows 7 Pro or Windows 10.

You must also obtain Lifesaver software, Microsoft Office software, FrameVue software, and a network hub to connect more than one computer. The cost to purchase the point of sale system, including hardware and software, ranges from $1,921 to $3,775.

The following are the current specifications for the required art catalog computer system: 1 central processing unit (CPU), 3.13 GHz; 1 GB SDRAM; 80 gigabyte hard drive; 1 22" minimum flat panel monitor, a DVD and CDRW ROM; and Windows 7 Pro or Windows 10. The cost to purchase the art catalog computer system ranges from $500 to $800.

The following are the current specifications for the required laptop for the initial training program: Notebook computer, 2.30 GHZ; 1 GB SDRAM; 80 GB hard drive; 16x10x24 DVDCDRW modular drive; power cord; Windows 7 Pro or Windows 10, Microsoft Office (or freeware equivalent) and Quickbooks Pro software. The cost to purchase the laptop ranges from $800 to $1,000.

You must provide all assistance we require to bring your point of sale system on-line at the earliest possible time and to maintain this connection as we require. In the future, we may retrieve from your point of sale system all information that we consider necessary, desirable or appropriate.

There is no contractual limitation on our right to access information.

You must maintain your point of sale system and keep it in good repair. There is no contractual limit on our ability to require you to upgrade the system. Currently, the cost of the annual maintenance contract for the Lifesaver point of sale software is included for the first year with your purchase, and $395 for each subsequent year. The cost of the annual maintenance contract for the FrameVue software is included for the first year with your purchase, and $199 for each subsequent year, but this amount could change in the future. You pay these amounts directly to Lifesaver Software, Inc. We cannot estimate the other costs of maintaining, updating or upgrading your point of sale system or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time.

Table of Contents of Operating Manual

The following is the Table of Contents of our Policy & Procedures Manual as of the date of this Disclosure Document:

Topic	Number of Pages
Mission Statement	2
The Company	30
Company Regulations	28
Safety and Security	39
Sales and Customer Service	19
Payment Methods	12
Transaction	20
Operations	16
Job Responsibility Checklist	28
Information Technology	8
Forms	68
Total	**270**

Training

After you sign your Franchise Agreement, and at least 4 weeks before you open your store, we will train you and one other person in our St. Peters, Missouri office. The training program is 10 consecutive days, and is as follows:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Orientation	2 hrs.	N/A	St. Peters, Missouri
Retail Math	2 hrs.	N/A	St. Peters, Missouri
Sales & Design	4 hrs.	N/A	St. Peters, Missouri
Introduction to Framing	2 hrs.	N/A	St. Peters, Missouri
Framing	43 hrs.	N/A	St. Peters, Missouri
Frame Training Review	3 hrs.	N/A	St. Peters, Missouri
Business Training	8 hrs.	N/A	St. Peters, Missouri
Merchandising	3 hrs.	N/A	St. Peters, Missouri
Marketing	5 hrs.	N/A	St. Peters, Missouri
Sales	3 hrs.	N/A	St. Peters, Missouri
Final Exam and Review	3 hrs.	N/A	St. Peters, Missouri

We conduct the Initial Training Program approximately 6 times a year (or more frequently, if needed). The instructional materials consist of our Policy & Procedures Manual, Frame Training Manual, demonstrations, practice and quizzes. Keith Ernst, David Lantrip, and Thomas Adams are primarily responsible for conducting the training program. Keith Ernst, David Lantrip, and Thomas Adams each have more than more than 25 years experience in the art and framing industry, and more than 15 years experience with the Company's business system and general operations. Thomas Adams is a Certified Picture Framer (CPF). David Lantrip is a Master Certified Picture Framer (MCPF) and a Guild Commended Framer (GCF).

The training program is mandatory for all new franchisees, and you must complete the initial training program to our satisfaction before you may open your business. The initial franchise fee includes the cost of the Initial Training Program for 2 people, including you, but you must pay your hotel, lodging, meals, travel expenses, and other out-of-pocket costs during training. Your store manager may attend the training program, or you may train your manager after attending our Initial Training program. Currently, you or your store manager are welcome to attend additional scheduled training programs at no charge, but you will need to pay out-of-pocket expenses such as hotel, lodging, meals, and travel expenses.

You can request on-site training and/or assistance at any time. We will provide it at our option, but the Franchise Agreement does not require us to provide it.

We may periodically conduct an annual convention, regional meeting, or training session, and if we do, we will determine its duration, curriculum, and location. You must attend each annual convention, regional meeting, or training session. You must pay all the expenses incurred by you in connection with these annual conventions, regional meetings, or training sessions, including travel, lodging, meals and other out-of-pocket expenses. Currently, we do not charge an entrance fee for any of these meetings, but we may do so in the future.

ITEM 12

TERRITORY

You will receive an exclusive territory, defined as a 3 mile radius around your location.

You will operate from one location and must receive the Company's permission before relocating. The Company will not operate stores or grant The Great Frame Up franchises within your area, as long as you are not in default of your Franchise Agreement, and unless such a store is the result of the Company's acquisition of an existing location. For example, if the Company acquires a chain of existing art and framing services stores, the Company may convert them to The Great Frame Up stores.

There are no restrictions on franchisees from soliciting or accepting orders outside of their defined territories, except that you may not sell art or framing services over the Internet except in accordance with the Company's Policy & Procedures Manual. There are also no restrictions on the Company from soliciting or accepting orders within your defined territory. However, the Company currently does not solicit or accept orders, although it may do so in the future through the Internet. You and the Company can accept orders from outside your territory without special payment.

You do not receive the right to acquire additional franchises within your territory under the Franchise Agreement. If you sign an MUA, we will reserve for you a territory to open your first store and a territory for each of your 2 showroom stores. Each territory will be defined by street intersections, and we will not sell a franchise within a 3 mile radius of each intersection unless you do not identify a location for a store in that territory by the date stated in the MUA. When you identify a location in the territory that is reviewed by the Company and the Company does not object, you must sign a Franchise Agreement and open a store within 12 months. After you sign a Franchise Agreement for that location, your exclusive territory will be a 3 mile radius around your location.

Neither the Company nor its affiliates are restricted by the Franchise Agreement from establishing other franchises or Company-owned outlets, or using other channels of distribution, that are selling or leasing similar products or services under a different trademark within your territory. However, it is the policy of the Company not to grant franchises in your territory of any brand or that compete with your franchised business so long as you are not in default of your Franchise Agreement.

There is no minimum sales quota. You maintain your rights to your area even though the population may increase. Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration or other contingency. We cannot modify your territorial rights for any reason, but you may lose them if you are in default of the Franchise Agreement.

We and our affiliates may sell products under the Trademarks within and outside your territory through any method of distribution other than a dedicated The Great Frame Up store within your territory, including sales through such channels of distribution as the Internet, catalog sales, telemarketing, or other direct marketing sales (together, “alternative distribution channels”), and we are not required by the Franchise Agreement to provide you any compensation for these sales. However, we currently do not make any sales through the Internet or other channels of distribution.

You may not use alternative distribution channels, including the Internet, to make sales outside or inside your territory, except as described in the Policy & Procedures Manual. Neither we nor our affiliates sell products or services over the Internet. We currently support Internet sales by franchisees through a website. Products and services ordered by customers through the website are fulfilled by a unrelated third-party vendor. If a customer accesses the website through a link on your individual store website provided to you by the Company, you will receive a percentage of the sales price. If a customer accesses the website directly, or through a link on our corporate website, and orders products and services, The Great Frame Up, Deck The Walls or Framing & Art Centre franchised store that is closest to the customer's geographical location will receive a percentage of the sale, regardless of the distance between the customer and that franchised store. If you receive a percentage of a sale made through the website, you will pay royalties and advertising fund contributions on the percentage of the sale that you receive. In addition to royalties, the Company receives an administration fee from the vendor for these sales (see Item 8).

You may solicit or accept orders from customers outside your territory but you may not use alternative distribution channels to solicit or fill orders except as approved by the Company, or as outlined in the Policy & Procedures Manual.

Under the Franchise Agreement, we and our affiliates can use alternative channels of distribution to make sales within your territory of products or services under trademarks different from the Trademarks you will use under the Franchise Agreement. However, we and our affiliates do not make any sales of this type.

ITEM 13

TRADEMARKS

The principal The Great Frame Up trademark which we will license to you appears on the cover of this Disclosure Document.

As used in this Disclosure Document and our Franchise Agreement, the term "Trademark" includes our trade names, trademarks, service marks and logos used to identify your store. The Company registered the below trademarks on the United States Patent and Trademark Office principal register:

The Great Frame Up (T/M):	Registration No.: 1036823	Date: 03/30/76
The Great Frame Up (S/M):	Registration No.: 1037048	Date: 03/30/76
The Great Frame Up (T/M):	Registration No.: 1074035	Date: 09/27/77
The Great Frame Up (S/M):	Registration No.: 1046540	Date: 08/17/76

The Company has filed, and intends to file, all required affidavits in order to maintain and renew its trademark in the United States.

You must follow our rules when you use this trademark. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which the Company licenses to you. You may not use the Company's registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by the Company.

No agreements limit the Company's right to use or license the use of the Company's trademarks.

There are currently no effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court, involving The Great Frame Up trademarks, nor are there any pending infringement, opposition or cancellation proceedings, or litigation, involving The Great Frame Up trademarks. The Company does not know of any infringing uses which could materially affect your use of The Great Frame Up trademarks. The Franchise Agreement provides you with no rights if you must discontinue the use of the trademark as a result of a proceeding or settlement.

You must notify the Company immediately when you learn about an infringement of or challenge to your use of our trademark. The Company will take the action we think appropriate, and we have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You will have no right to make any demand or to prosecute any claims against the alleged infringer for the infringement.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Trademarks, you must promptly notify us. While the Company is not required to defend you against a claim against your use of our trademark under the Franchise Agreement, it is our policy to do so. We are not required to indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Trademarks. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Trademarks in violation of the Franchise Agreement.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

You do not receive the right to use an item covered by a patent or copyright, or a pending patent or copyright, but you can use the proprietary information in the Company's Policy & Procedures Manual. The Policy & Procedures Manual is described in Item 11.

Although the Company has not filed an application for a copyright registration for the Policy & Procedures Manual, we claim a common law copyright and the information is proprietary. The Company is not obligated to defend you against a claim against your use of the Policy & Procedures Manual, but it is our policy to do so. There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court regarding or affecting any of our common law copyrights discussed in this paragraph. As of the date of this Disclosure Document, we do not know of any infringing uses of, or superior rights to, any of our copyrights that could affect your use of them in any state.

Your obligations, and our obligation, to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this Disclosure Document.

Confidential Information

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

Our confidential information will include procedures and operations, programs, customer lists, standards, techniques, requirements and specifications which are part of The Great Frame Up system. It also includes our Policy & Procedures Manual, records of customers and billings, methods of advertising and promotion, and instructional materials.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Company does not require that you personally supervise the franchised business. The business must be directly supervised "on-premises" by a manager who has successfully completed the Company's training program. The manager need not have an ownership interest in a corporate or partnership franchise, but the Company does require that the manager sign a confidentiality agreement.

Each individual who owns a 5% and greater interest in the franchise entity, and his or her spouse, must sign an agreement assuming and agreeing to personally discharge all obligations of the "Franchisee" under the Franchise Agreement. This agreement is included as page 30 of the Franchise Agreement, which is Exhibit D to this Disclosure Document.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those goods and services that the Company has approved (See Item 8).

You must offer products and services that the Company designates as required for all franchisees. The required products and services are framing services, custom framing services and related wall decor, and gift cards. Art work, prints, framing services, and accessories used in your The Great Frame Up store must be approved by the Company (See Item 8).

The Company has the right to change the type of frames and accessories you sell in your store. However, the Company cannot change the nature of your store in that your store will always offer framing services.

The Company does not restrict you from soliciting any customers, no matter who they are or where they are located. However, you may not sell goods or services over the Internet except in accordance with the Company's Policy & Procedures Manual.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provisions	Article in Franchise Agreement	Summary
a. Length of the franchise term	Article II	10 Years
b. Renewal or extension of the term	Article II	If you are in good standing you can add an additional term of years (10 years maximum per renewal term)
c. Requirements for you to renew or extend	Article II	Notify the Company, sign then-current agreement, participate in any required education courses, remodel if required, sign release and not be in default with the landlord or the Company. You may be required to sign a contract with materially different terms and conditions than your original contract, including a different exclusive territory, royalty rate and Advertising Fund contribution.
d. Termination by you	None	N/A
e. Termination by the Company without cause	None	N/A
f. Termination by the Company with cause	Article XIII	The Company can terminate only if you default
g. "Cause" defined - defaults which can be cured	Article XIII.C	You have 30 days to cure: non-payment of fees, non-submission of reports, failure to obtain the Company's approval of any matter required by Franchise Agreement, failure to complete training programs, and the failure to operate your franchise in accordance with the Policy & Procedures Manual or in an unclean or unsafe manner.

Provisions	Article in Franchise Agreement	Summary
h. "Cause" defined -- non-curable defaults	Article XIII.B	Non-curable defaults: conviction of felony, abandonment, trademark misuse, false sales reports, unauthorized use of the premises, and unapproved transfers
i. Your obligations on termination/non-renewal	Article XIV	Obligations include complete de-identification, payment of amounts due, payment of unredeemed gift card balances, and return of all store records, manuals and training materials (also see "r" below)
j. Assignment of contract by the Company	None	There is no restriction on the Company's right to assign
k. "Transfer" by you - definition	Article XII	Includes transfer of contract or assets or ownership change
l. The Company's approval of transfer by franchisee	Articles XII.C and XII.D	The Company has the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for the Company's approval of transfer	Article XII.D	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee (also see "r" below), new franchisee must pay $10,000 to the Marketing Fund for use in marketing initiatives for the new franchisee's store during the first 6 months of operation
n. The Company's right of first refusal to acquire your business	Article XII.J	The Company can match any offer for your business
o. The Company's option to purchase your business	Article XIV.C	Upon termination, the Company may purchase your inventory and assume your store lease
p. Your death or disability	Article XII.I	Franchise must be assigned by estate to approved buyer within 6 months
q. Non-competition covenants during the term of the franchise	Article XV	No involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Article XV.C	No competing business for 2 years within 10 miles of your former location or another The Great Frame Up franchise (including after assignment)

Provisions	Article in Franchise Agreement	Summary
s. Modification of the agreement	None	No modifications generally but Policy & Procedures Manual subject to change
t. Integration/merger clause	Article XX	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	None	N/A
v. Choice of forum	Article XXIII	Litigation must be in Houston, Texas, subject to the franchisee's state law
w. Choice of law	Article XXII	Texas law applies, subject to the franchisee's state law

See the state addenda to the Franchise Agreement and Disclosure Document for special state disclosures.

ITEM 18

PUBLIC FIGURES

The Company does not use any public figure to promote its 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 the franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Financial Officer, Joseph A. Lynch, Franchise Concepts, Inc., 221 First Executive Avenue, St. Peters, Missouri 63376, telephone (866) 719-8200; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2016 To 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	87	82	-5
	2017	82	77	-5
	2018	77	72	-5
Company-Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Total Outlets	2016	87	82	-5
	2017	82	77	-5
	2018	77	72	-5

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2016 to 2018

State	Year	Number of Transfers
Colorado	2016	0
	2017	0
	2018	1
Indiana	2016	1
	2017	1
	2018	0
South Carolina	2016	0
	2017	0
	2018	1
Total	2016	1
	2017	1
	2018	2

Table No. 3

Status of Franchised Outlets
For Years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets At End of The Year
California	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Colorado	2016	6	0	0	0	0	1	5
	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
Florida	2016	9	0	0	0	0	1	8
	2017	8	0	0	0	0	0	8
	2018	8	0	0	0	0	1	7
Georgia	2016	7	0	0	0	0	0	7
	2017	7	0	0	0	0	1	6
	2018	6	0	0	0	0	1	5
Illinois	2016	16	0	0	0	0	0	16
	2017	16	0	0	0	0	0	16
	2018	16	0	0	0	0	0	16
Indiana	2016	6	0	0	0	0	0	6
	2017	6	0	0	0	0	1	5
	2018	5	0	0	0	0	0	5
Iowa	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Kansas	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Kentucky	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Mass-achusetts	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
Michigan	2016	4	0	0	0	0	1	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Minnesota	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
Missouri	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets At End of The Year
Nevada	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	1	0
	2018	0	0	0	0	0	0	0
New Jersey	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 York	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
North Carolina	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
Oklahoma	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Oregon	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Pennsyl-vania	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	0	4
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
Texas	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
Virginia	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
Washing-ton	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	1	2
Wisconsin	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
Total	**2016**	**87**	**0**	**0**	**0**	**0**	**5**	**82**
	2017	**82**	**0**	**0**	**0**	**0**	**5**	**77**
	2018	**77**	**0**	**0**	**0**	**0**	**5**	**72**

Table No. 4

Status of Company-Owned Outlet
For Years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets At End of The Year
Total	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

Table No. 5

Projected Openings As Of December 31, 2018

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company Owned Outlets In Next Fiscal Year
Illinois	2	1	0
Georgia	1	0	0
Total	**3**	**1**	**0**

A list of names, business addresses, and business telephone numbers of all The Great Frame Up stores and franchisees as of December 31, 2018 is attached to this Disclosure Document as Exhibit B.

Listed below is the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every The Great Frame Up franchisee who has had a Franchise Agreement terminated, canceled, not renewed, sold their store, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with the Franchisor within 10 weeks of the issue date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Name	City, State	Telephone
David Sloan and Andrea Spencer	Littleton, Colorado	303-978-9057
Beverly Arnold	Jacksonville, Florida	904-998-0260
Don and Diane Williams	Marietta, Georgia	678-594-6738
Deb Coon	Pembroke, Massachusetts	781-924-3251
Rich and Sandi Sampson	Huntersville, North Carolina	704-892-2112
Tessi Rogers and Beryll Taylor	Bluffton, South Carolina	843-815-4661
Chuck and Connie Hardee	Spokane, Washington	509-468-4665

During the last 3 fiscal years, we have not signed any confidentiality clauses with any former or current franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Great Frame Up franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no franchisee organizations associated with The Great Frame Up franchise system that we have created, sponsored, or endorsed. No independent franchisee organizations have asked to be included in this Disclosure Document, and we don’t know of any such organizations formed for The Great Frame Up franchisees.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C is a copy of the audited financial statements of our parent company FCIHC for the period of January 1, 2016 to December 31, 2016, the audited financial statements for the period of January 1, 2017 to December 31, 2017, and the audited financial statements for the period January 1, 2018 to December 31, 2018. FCIHC absolutely and unconditionally guarantees the performance and obligations of the Company under the Franchise Agreement. A copy of the Guaranty is included with the financial statements.

ITEM 22

CONTRACTS

Attached to this Disclosure Document as Exhibit D is a copy of the Franchise Agreement and a copy of the Release you will sign if you are renewing the Franchise Agreement or selling your franchise. Attached to this Disclosure Document as Exhibit E is the Market Unit Addendum to the Franchise Agreement (MUA). No other agreements are proposed for use by the Company in connection with the franchise described in this Disclosure Document.

ITEM 23

RECEIPT

Copies of a detachable receipt are at the very end of this Disclosure Document.

ADDENDA TO THE GREAT FRAME UP SYSTEMS

UNIFORM FRANCHISE DISCLOSURE DOCUMENT

STATE REGULATIONS

FOR RESIDENTS OF THE STATE OF CALIFORNIA

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.

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

Item 5 is amended to state that the Company will defer collection of the initial franchise fee until it has fulfilled its initial obligations to the Franchisee.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

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.

The Franchise Agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law.

FOR RESIDENTS OF THE STATE OF ILLINOIS

Illinois law governs the franchise agreement(s).

Payment of the Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees’ rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waiver compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

FOR RESIDENTS OF THE STATE OF MARYLAND

Item 5 is amended to state that all fees paid to the franchisor, including payments for goods and services received from the franchisor before the business opens, shall not be paid to the franchisor until the Franchisee has opened the franchised business and the franchisor has performed all of its pre-opening obligations.

Item 17 is amended to provide that, pursuant to COMAR 01.01.08.16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to provide that the Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise, and that the provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

FOR RESIDENTS OF THE STATE OF MINNESOTA

Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:

(A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:

1) Voluntary abandonment of the franchise relationship by the Franchisee;

2) The conviction of the Franchisee of an offense directly related to the business conducted pursuant to the franchise; or

3) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the Franchisee has received written notice to cure of at least 24 hours in advance thereof;

(B) Terminate or cancel a franchise except for good cause. "Good cause" shall be failure by the Franchisee substantially to comply with reasonable requirements imposed upon him by the franchise including, but not limited to:

1) The bankruptcy or insolvency of the Franchisee;

2) Assignment for the benefit of creditors or similar disposition of the assets of the franchise business;

3) Voluntary abandonment of the franchise business;

4) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or

5) Any act by, or conduct of, the Franchisee which materially impairs the goodwill associated with the Franchisor's trademark, trade name, service mark, logotype or other commercial symbol; or

(C) Unless the failure to renew the franchise is for good cause as defined in clause (b), Franchisor may not fail to renew a franchise unless (i) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

A franchisor may not unreasonably withhold consent to an assignment, transfer, or sale of the franchise where the assignee meets the present qualifications and standards required of other franchisees.

Item 5 and Item 7 are amended to provide that the initial franchise fee shall not be due and payable to the Company until the franchised business is open and operating.

Item 13 is modified as follows: The Minnesota Department of commerce requires that a Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the trademark infringes trademark rights of the third party. The Company does not indemnify against the consequences of the Franchisee's use of the Company's trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Company of any such claim within 10 days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

FOR RESIDENTS OF THE STATE OF NEW YORK

Provisions of General Releases are included throughout the Disclosure Document and Franchise Agreement. They are covered by the following provision:

"Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied."

Item 3 is amended to state that, except for the litigation listed in Item 3, neither the Company nor any person or franchise sales agent identified in Item 2 of this Disclosure Document:

1) Has pending any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

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 a misdemeanor or pleaded *nolo contendere* to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

3) Is subject to any injunctive or restrictive order or decree relating to franchises or under 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.

Item 4 is amended to state that, neither the Company, nor any predecessor, officer or general partner of the franchisor has, during the 15-year period immediately preceding the date of the offering prospectus, has been adjudged bankrupt or reorganized due to insolvency, or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within one year after the period that such officer or general partner of the franchisor held such position in such company or partnership, and no such bankruptcy or reorganization proceeding has been commenced.

The Company represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

FOR RESIDENTS OF THE STATE OF RHODE ISLAND

Item 17 is amended to state that section 19-28-1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FOR RESIDENTS OF 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 Great Frame Up for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h: Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise 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.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

FOR RESIDENTS OF THE STATE OF WASHINGTON

The Franchise Investment Protection Act of the State of Washington makes it unlawful to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include, without limitation, the failure of the Franchisee to comply with lawful material provisions of the Franchise Agreement or other agreements between the Franchisor and the Franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such default, or if said default cannot reasonably be cured within thirty days, the failure of the Franchisee to initiate within thirty days substantial and continuing action to cure such default: PROVIDED; That after three willful and material breaches of the same term of the Franchise Agreement occurring within a twelve month period, for which the Franchisee has been given notice and an opportunity to cure as provided in Section 17, the Franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve month period without providing notice or opportunity to cure: PROVIDED FURTHER; That a Franchisor may terminate a franchise without giving prior notice of opportunity to cure a default if the Franchisee: (I) is adjudicated a bankrupt or insolvent, (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (iii) voluntarily abandons the franchise business; or (iv) is convicted or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, the Franchisor shall purchase from the Franchisee at a fair market value at the time of the termination, the Franchisee's inventory and supplies, exclusive of (I) personalized materials which have no value to the Franchisor, (ii) inventory and supplies not reasonably required in the conduct of the franchise business; and (iii) if the Franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the Franchisor or on his express requirement: PROVIDED; that a Franchisor may offset against amounts owed to a Franchisee under Section 17 any amounts owed by such Franchisee to the Franchisor.

The Franchise Investment Protection Act of the State of Washington makes it unlawful, except in limited circumstances, to refuse to renew a franchise in Washington without fairly compensating the franchise for the fair market value, at the time of the expiration of the franchise, of the Franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor and goodwill, exclusive of personalized materials which have no value to the franchisor, and exclusive of inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchised business.

The transfer fee required under the Franchise Agreement is 25% of the then-current initial franchise fee. The franchise fee is currently $30,000 and so the current transfer fee is $7,500. In no event will the transfer fee exceed the actual out-of-pocket expenses incurred by the Company.

To the extent that the Washington franchise Investment Act conflicts with the choice-of-law provisions contained in the Franchise Agreement, the Washington Franchise Investment Act will control.

Item 5 of the Disclosure Document is amended to state that pursuant to WAC 460-80-460, the state of Washington requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchise has opened for business.

EXHIBIT A

LIST OF ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

STATE OF CALIFORNIA, Corporations Commissioner, Department of Business Oversight, 320 West 4th Street, Los Angeles, California 90013-1105; Telephone: (213) 576-7500.

STATE OF CONNECTICUT, Banking Commissioner, 44 Capitol Avenue, Hartford, Connecticut 06106; Telephone: (203) 566-4560.

STATE OF HAWAII, Commissioner of Securities, 1010 Richards Street, Honolulu, Hawaii; Telephone: (808) 548-6521.

STATE OF ILLINOIS, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706; Telephone: (217) 782-4465.

STATE OF INDIANA, Chief Deputy Commissioner, Securities Division, 302 West Washington Street, Room E111, Indianapolis, Indiana 46204; Telephone: (317) 232-6681.

STATE OF MARYLAND, Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202-2020; Telephone: (410) 576-6360.

STATE OF MICHIGAN, Franchise Administrator, 670 Law Building, Lansing, Michigan 48913; Telephone: (517) 373-7177.

STATE OF MINNESOTA, Deputy Commissioner, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Minnesota 55101; Telephone: (612) 296-6325.

STATE OF NEW YORK, New York State Department of Law, Principal Attorney, 120 Broadway, Room 23-122, New York, N.Y. 10271; Telephone: (212) 416-8211.

STATE OF NORTH DAKOTA, Securities Commissioner, North Dakota Securities Department, 600 East Boulevard Avenue, State Capitol – 5th Floor, Department 414, Bismarck, North Dakota 58505-0510; Telephone: (701) 328-4712.

STATE OF RHODE ISLAND, Administrator, Division of Securities, Department of Business Regulation, John O. Pastore Complex, 1511 Pontiac Avenue, Building 69-1, Cranston, Rhode Island 02910; Telephone: (401) 462-9587.

STATE OF SOUTH DAKOTA, Franchise Administrator, Division of Securities, 124 S. Euclid, Suite 104, Pierre, South Dakota 57501; Telephone: (605) 773-4823.

STATE OF VIRGINIA, State Corporation Commission, Division of Securities and Retail Franchising, 1300 E. Main Street,9th Floor, Richmond, Virginia 23219; Telephone: (804) 371-9051.

STATE OF WASHINGTON, Department of Financial Institutions,150 Israel Road SW, Tumwater, Washington 98501; Telephone: (360) 902-8760.

STATE OF WISCONSIN, Commissioner of Securities, Franchise Administrator, 345 W. Washington Avenue, 4th Floor, P.O. Box 1768, Madison, Wisconsin 53701-1768; Telephone: (608) 261-9555.

AGENTS FOR SERVICE OF PROCESS

State of CALIFORNIA is Commissioner of Corporations, Department of Business Oversight, 320 West 4th Street, Los Angeles, California 90013-1105.

State of ILLINOIS is the Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706.

State of INDIANA is the Secretary of State, 201 State House, 200 West Washington Street, Indianapolis, Indiana 46204.

State of MARYLAND is the Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202-2020.

State of MINNESOTA is the Commissioner of Commerce for Minnesota, 85 7th Place East, Suite 500, St. Paul, Minnesota 55101.

State of NEW YORK is the Secretary of State of the State of New York, 162 Washington Avenue, Albany, New York 12231.

State of NORTH DAKOTA is the Securities Commissioner, North Dakota Securities Department, 600 East Boulevard, State Capitol - 5th Floor, Department 414, Bismarck, North Dakota 58505-0510.

State of RHODE ISLAND is Director, Department of Business Regulation, John O. Pastore Complex, 1511 Pontiac Avenue, Building 69-1, Cranston, Rhode Island 02910; Telephone: (401) 462-9587.

State of SOUTH DAKOTA is Director of the Division of Securities, 124 S. Euclid, Pierre, South Dakota 57501.

State of VIRGINIA is Clerk of the State Corporation Commission, 1300 E. Main Street, 1st Floor, Richmond, Virginia 23219.

State of WASHINGTON is Department of Financial Institutions,150 Israel Road SW, Tumwater, Washington 98501; Telephone: (360) 902-8760.

State of WISCONSIN, is Commissioner of Securities, 345 W. Washington Avenue, 4th Floor, Madison, Wisconsin 53703.

If a state is not listed, the Franchisor has not appointed an agent of service in that state in connection with the requirements of franchise laws.

EXHIBIT B

LIST OF CURRENT
THE GREAT FRAME UP
FRANCHISES

California

Mohsen & DJ Jazayeri
TGFU #202
2222 Michelson Drive
Suite 244
Irvine, CA 92612
(949) 552-6949

Marcy Magatelli
TGFU #278
865 Santa Cruz Avenue
Menlo Park, CA 94025
(650) 323-1097

Kathy Cryer
TGFU #672
19524-1 Nordhoff St.
Northridge, CA 91324
(818) 920-4000

Percy & Rosemarie Yung
TGFU #323
5427 Telegraph Ave
Oakland, CA 94609
(510) 601-6389

Colorado

Pamm & David Iannazzo
TGFU #161
1674 30th Street
Boulder, CO 80301
(303) 444-7172

Chuck Goldone
The Gualdoni Co Inc
TGFU #152
1017 E 9th Avenue
Denver, CO 80218
(303) 837-8846

Jan & Bob Jackson
TGFU #592
412 Main Street
Grand Junction, CO 81501
(970) 242-7666

Melissa, Al, & Sarah McKinney
TGFU #153
8176 W Bowles #B
Littleton, CO 80123
(303) 978-9057

Pamm & David Iannazzo
TGFU #325
430 Main Street
Longmont, CO 80501
(303) 772-7293

Florida

Al Schuth
TGFU #257
8646 Gladiolus Drive
Suite 308
Ft. Meyers, FL 33908
(239) 481-1933

Javier & Maria Mejia
TGFU #557
4144 NW 16th Blvd
Gainesville, FL 32605
(352) 373-5400

Jennifer & John Walrave
TGFU #508
106 North 46th Ave
Hollywood, FL 33021
(954) 981-4880

Nick Scopelitis
TGFU #571
75 East Indiantown #602
Jupiter, FL 33477
(561) 747-3066

Diane Roberts
TGFU #665
1410 Pine Ridge Road
Unit 12
Naples, FL 34108
(239) 262-4723

Alan & Heidrun Divers
TGFU #675
8908 4th Street North
St. Petersburg, FL 33702
(727) 578-0030

Alan & Heidrun Divers
TGFU #628
3810 Neptune St.
#B-3
Tampa, FL 33629
(813) 254-5423

Georgia

Chali & John Hodges
TGFU #677
1432 Dresden Dr
Suite 400
Atlanta, GA 30319
(404) 464-5972

Andy & Carolyn Shalosky
TGFU #676
1409 N. Highland Avenue NE
Suite G
Atlanta, GA 30306
(404) 892-2323

Andy & Carolyn Shalosky
TGFU #679
335 W. Ponce De Leon Ave
Suite C
Decatur, GA 30030
(404) 257-6090

Bryant & Joni Martin*
TGFU #509
247 S Glynn St.
Fayetteville, GA 30214
(770) 716-6466

Chali & John Hodges
TGFU #545
100 N Peachtree Pkwy
Suite 11
Peachtree City, GA 30269
(770) 487-0087

Illinois

David & Marlowe Klitzky
TGFU #103
1310 Rand Rd.
Arlington Heights, IL 60004
(847) 398-8238

David & Marlowe Klitzky
TGFU #101
2905 N Broadway
Chicago, IL 60657
(773) 549-3927

Mark & Olet Jelke
TGFU #107
1418 E 53rd Street
Suite #3
Chicago, IL 60615
(773) 752-2020

*Franchisee also has signed a Franchise Agreement for an additional store that is not yet opened.

David & Marlowe Klitzky
TGFU #261
21 West Elm Street
Chicago, IL 60010
(312) 482-8811

Jon & Jennifer Baron*
TGFU #132
905 W 55th Street
Countryside, IL 60525
(708) 352-6130

David & Marlowe Klitzky
TGFU #102
2904 Central Street
Evanston, IL 60201
(847) 869-9130

Steve & Lori Koziol
TGFU #162
726 West State Street
Geneva, IL 60134
(630) 232-7668

Jon & Jennifer Baron*
TGFU #104
1172 Roosevelt Rd
Glen Ellyn, IL 60137
(630) 629-1200

Gary Novak
TGFU #402
18450 Governors Hwy
Homewood, IL 60430
(708) 647-0453

John & Deborah Wilen*
TGFU #569
20771 N. Rand Road
Kildeer, IL 60047
(847) 438-8859

Sandy Anderson
TGFU #229
8305 ½ West Golf Road
Niles, IL 60714
(847) 966-8400

David & Marlowe Klitzky
&Katherine Mitzenmacher
TGFU #124
601 A Skokie Blvd
Northbrook, IL 60062
(847) 480-0400

Jon & Jennifer Baron*
TGFU #118
9552 Southwest Highway
Oak Lawn, IL 60453
(708) 422-5517

Pam Parker
TGFU #568
705 Lake Street
Oak Park, IL 60301
(708) 848-5588

Sue Jewula
TGFU #136
9560 W 147th Street
Orland Park, IL 60462
(708) 349-1104

Kevin Pietro
TGFU #108
1696 Wise Road
Schaumburg, IL 60193
(847) 891-7650

Indiana

Dawn & Mark Fraley
TGFU #285
21 1st Street SW
Carmel, IN 46032
(317) 843-2030

Robin and Robert Fox
TGFU #109
4209 E 62nd Street
Indianapolis, IN 46220
(317) 255-8282

Carla Nimmo
TGFU #135
8550 Ditch Road
Indianapolis, IN 46260
(317) 872-0900

Tony McGuire
TGFU #147
612 N Delaware St
Indianapolis, IN 46204
(317) 636-5040

Amy Uzelac & Adele Sutter
TGFU #174
1303 N Calumet Avenue
Valparaiso, IN 46383
(219) 477-5799

Iowa

Angela Jackson
TGFU #631
5515 Mills Civic Parkway
Suite 150
West Des Moines, IA 50266
(515) 226-2310

Kansas

Mary Kaye Faubion
TGFU #607
14549 Metcalf Ave.
Overland Park, KS 66223
(913) 897-3200

Rodney & Karen Jantz
TGFU #186
4515 W. 90th St
Prairie Village, KS 66207
(913) 642-2211

Kentucky

Steve Henderson
TGFU #112
125 E. Reynolds Rd
Suite 190
Lexington, KY 40517
(859) 272-2122

Michigan

Heather Burgess
TGFU #268
20655 Mack Avenue
Grosse Pte Woods, MI 48236
(313) 884-0140

Fred & Carol Warzin
TGFU #320
113 West University Dr
Rochester, MI 48307
(248) 650-3500

David & Susan Bratto
TGFU #644
Shelby Central Plaza
52025 Van Dyke Avenue
Shelby Township, MI 48316
(586) 786-9445

*Franchisee also has signed a Franchise Agreement for an additional store that is not yet opened.

Minnesota

Tim & Marilyn Hanson
TGFU #275
1004 W County Rd 42
Burnsville, MN 55337
(952) 898-1677

Ron Mask
TGFU #247
4789 County Rd 101
Minnetonka, MN 55345
(952) 931-9212

Missouri

Dan Gieseler & Keith Ernst
TGFU #539
1719 Clarkson Road
Chesterfield, MO 63017
(636) 537-3137

Lesli Mash
TGFU #670
8131 Maryland
Clayton, MO 63105
(314) 863-8333

Bruce Shoults & David Toben
TGFU #537
31 Allen Ave
St. Louis, MO 63119
(314) 892-8333

Steve & Becky Haden
TGFU #541
11467 Olive Street
St. Louis, MO 63141
(314) 432-8333

New Jersey

Bart & Darlene Ingraldi
TGFU #587
127 Ark Road
Mt Laurel, NJ 08054
(856) 234-5055

New York

Chris & Tracey Bonacci
TGFU #286
3349 Monroe Suite K184
Rochester, NY 14618
(585) 264-0400

Pennsylvania

Diane Woyda
TGFU #255
1510 DeKalb Pike
Blue Bell, PA 19422
(610) 279-1033

Andy & Christy McGinty
TGFU #228
1392 Columbia Ave
Lancaster, PA 17603
(717) 393-6337

Anh & Maggie Luong
TGFU #615
1183 Baltimore Pike
Springfield, PA 19064
(610) 544-4011

Jim & Kathy Dibrino
TGFU #110
302 W Lancaster Ave
Wayne, PA 19087
(610) 687-3060

South Carolina

Adam & Pam Meister
TGFU #635
22 Plantation Park Drive
Suite 108
Bluffton, SC 29910
(843) 815-4661

Texas

Tom Williams
TGFU #574
13107 Louetta
Cypress, TX 77429
(281) 376-6300

John & Shelly Williamson
TGFU #528
8321 Broadway Ste 108
Pearland, TX 77581
(281) 997-6100

Tom Williams
TGFU #599
7306 Louetta Road
Suite A108
Spring, TX 77379
(281) 257-3663

Virginia

Michael & Jennifer Poole
TGFU #197
1860 Rio Hill Center
Charlottesville, VA 22901
(434) 973-8588

Washington

Chuck & Connie Hardee
TGFU #559
8701 N Division St
Suite B
Spokane, WA 99218
(509) 468-4665

Chuck & Connie Hardee
TGFU #606
14700 East Indiana
Suite 1174
Spokane Valley, WA 99216
(509) 922-1399

Wisconsin

Andy Lorsch
TGFU #192
16750 C W Bluemound Road
Brookfield, WI 53005
(262) 782-5003

Greg Nelson
TGFU #245
6633 Watts Road
Madison, WI 53719
(608) 277-0555

Kerry Lynch
TGFU #313
1400 W Mequon Road
Mequon, WI 53092
(262) 241-8679

Tom Harris
TGFU #227
517 E Silver Spring Dr
Whitefish Bay, WI 53217
(414) 962-4889

*Franchisee also has signed a Franchise Agreement for an additional store that is not yet opened.

EXHIBIT C

FINANCIAL STATEMENTS

FCI HOLDINGS COMPANY, INC.

GUARANTEE OF PERFORMANCE OF

FRANCHISE CONCEPTS, INC.

For value received, FCI Holdings Company, Inc., a Delaware corporation, located at 221 First Executive Avenue, St. Peters, Missouri 63376, absolutely and unconditionally guarantees to assume the duties and obligations of Franchise Concepts, Inc., located at 221 First Executive Avenue, St. Peters, Missouri 63376 and 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098, (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its **2019** Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchises and amended, modified or extended from time to time. This guarantee continues until all such obligations of the liability of Franchisor under its franchise registration and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at St. Peters, Missouri, on the 18th day of March, 2019.

Guarantor:

FCI Holdings Company, Inc.

By: Joseph A Lynch

Joseph A. Lynch

Title: Chief Financial Officer

FCI HOLDINGS COMPANY, INC.
AND SUBSIDIARIES

Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

Contents

Independent Auditor's Report

Board of Directors
FCI Holdings Company, Inc.
St. Louis, Missouri

We have audited the accompanying consolidated financial statements of FCI Holdings Company, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and comprehensive (loss) income, stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FCI Holdings Company, Inc. and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

March 26, 2019

Consolidated Financial Statements

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31,		**2018**		2017
Assets				
Current Assets				
Cash	**$**	**433,883**	$	357,110
Accounts receivable, net		**33,229**		30,934
Prepaids and other current assets		**21,741**		40,814
Restricted assets of Grand Opening and Marketing Funds		**331,945**		359,430
Total Current Assets		**820,798**		788,288
Notes Receivable From Franchisees		**10,000**		10,000
Property and Equipment, net		**3,159**		8,448
Intangible Assets, net		**142,720**		208,576
Total Assets	**$**	**976,677**	$	1,015,312
Liabilities and Stockholders' Deficit				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**213,139**	$	231,480
Deferred initial franchise fee income		**50,000**		50,000
Unexpended Grand Opening and Marketing Funds		**383,648**		372,301
Total Current Liabilities		**646,787**		653,781
Long-Term Debt		**2,502,849**		2,427,960
Total Liabilities		**3,149,636**		3,081,741
Stockholders' Deficit				
Common stock		**1,479**		1,479
Additional paid-in capital		**3,476,222**		3,476,222
Treasury stock, at cost		**(22,702)**		(22,702)
Accumulated other comprehensive income (loss)		**9,003**		(5,249)
Accumulated deficit		**(5,636,961)**		(5,516,179)
Total Stockholders' Deficit		**(2,172,959)**		(2,066,429)
Total Liabilities and Stockholders' Deficit	**$**	**976,677**	$	1,015,312

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE (LOSS) INCOME

Years Ended December 31,		**2018**		2017
Revenue				
Continuing franchise fees	**$**	**1,104,564**	$	1,132,859
Initial franchise fees		**15,000**		5,000
Total Revenue		**1,119,564**		1,137,859
Operating Costs and Expenses				
Cost of franchise services		**870,049**		796,004
General and administrative		**126,504**		154,206
Depreciation and amortization		**71,145**		71,100
Total Operating Costs and Expenses		**1,067,698**		1,021,310
Operating Income		**51,866**		116,549
Other (Expense) Income				
Gain on extinguishment of debt		**-**		2,419,893
Interest expense		**(149,777)**		(320,831)
Other (expense) income, net		**(22,871)**		19,850
Total Other (Expense) Income		**(172,648)**		2,118,912
(Loss) Income Before Provision for Income Taxes		**(120,782)**		2,235,461
Income Tax Provision		**-**		-
Net Income (Loss)		**(120,782)**		2,235,461
Other Comprehensive Income (Loss)				
Foreign currency translation		**14,252**		(10,801)
Comprehensive (Loss) Income	**$**	**(106,530)**	$	2,224,660

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

Years Ended December 31, 2018 and 2017

	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, December 31, 2016	$ 1,479	$ 3,476,222	$ (22,702)	$ 5,552	$ (7,751,640)	$ (4,291,089)
Net income	-	-	-	-	2,235,461	2,235,461
Foreign currency translation adjustments	-	-	-	(10,801)	-	(10,801)
Balance, December 31, 2017	1,479	3,476,222	(22,702)	(5,249)	(5,516,179)	(2,066,429)
Net loss	**-**	**-**	**-**	**-**	**(120,782)**	**(120,782)**
Foreign currency translation adjustments	**-**	**-**	**-**	**14,252**	**-**	**14,252**
Balance, December 31, 2018	**$ 1,479**	**$ 3,476,222**	**$ (22,702)**	**$ 9,003**	**$ (5,636,961)**	**$ (2,172,959)**

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,		**2018**		2017
Cash Flows From Operating Activities				
Net (loss) income	**$**	**(120,782)**	$	2,235,461
Adjustments to reconcile net (loss) income to net cash				
provided by operating activities:				
Depreciation and amortization		**71,145**		71,100
Loss on sale of property and equipment		**-**		258
Gain on early extinguishment of debt		**-**		(2,419,893)
Deferred interest added to principal of long-term debt		**74,889**		148,137
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable		**(2,295)**		61,924
Decrease in prepaids and other current assets		**19,073**		2,365
(Decrease) in accounts payable and accrued liabilities		**(18,341)**		(16,192)
Grand Opening and Marketing Funds, net		**38,832**		53,663
Other		**14,252**		(10,763)
Net Cash Provided By Operating Activities		**76,773**		126,060
Cash Flows From Investing Activities				
Purchases of property and equipment		**-**		(2,794)
Net Cash Used By Investing Activities		**-**		(2,794)
Net Increase in Cash		**76,773**		123,266
Cash, Beginning of year		**357,110**		233,844
Cash, End of year	**$**	**433,883**	$	357,110
Supplemental Disclosure of Cash Flows Information:				
Cash paid for interest	**$**	**74,889**	$	160,398
Non-Cash Financing Activities				
Extinguishment of debt	**$**	**-**	$	2,419,893

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

FCI Holdings Company, Inc. ("FCI") was formed in 2004 to purchase Franchise Concepts, Inc. and subsidiaries. Franchise Concepts, Inc. is a Delaware corporation whose wholly owned subsidiaries, Deck the Walls, Inc. ("DTW"), The Great Frame Up Systems, Inc. ("GFU"), Mapleleaf, Inc. (wholly owned subsidiary of DTW) and Mapleleaf Franchise Concepts, Inc. ("MFCI") (a Canadian federal company and wholly owned subsidiary of DTW), franchise retail stores that offer for sale a variety of posters, prints, ready-made frames and in-store custom framing services throughout the United States and Canada. During 2007, GFU and DTW were merged into FCI.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of FCI and its wholly owned subsidiaries (collectively, the "Company"). Significant intercompany accounts and transactions have been eliminated.

Foreign Currency Translation and Transactions

The balance sheet of MFCI is translated into U.S. dollars using current exchange rates since the functional currency of MFCI is the Canadian dollar. The statement of operations is translated at the average exchange rate prevailing during the period. Adjustments resulting from these translations are included as a separate component of stockholders' deficit. Net gains and losses resulting from foreign exchange transactions are recorded in the Consolidated Statements of Operations and Comprehensive (Loss) income.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the period. Actual results may differ from those estimates.

Concentration of Credit Risk

Concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash accounts at high credit quality financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Company attempts to minimize credit risk from accounts receivable by reviewing each customer's credit history before extending credit.

Accounts Receivable and Notes Receivable

Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances. Accounts are considered past due on an individual basis. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance account based on its assessment of the current status of individual accounts and notes. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance account and a credit to accounts or notes receivable.

The allowance for doubtful accounts totaled $635,005 and $648,620 at December 31, 2018 and 2017, respectively. The allowance for doubtful accounts represents a significant percentage of gross accounts receivable as certain franchisees are delinquent on royalty payments. The Company is actively pursuing collection on all such amounts outstanding, including those for which a full reserve has been provided at December 31, 2018.

Restricted Assets – Grand Opening and Marketing Funds

The Company administers Grand Opening and Marketing Funds ("the Funds") on behalf of the franchisees and collects these cash amounts from the franchisees in accordance with the provisions of the franchise agreements. The Company acts as an agent with regard to these contributions. The Company consolidates and reports all assets and liabilities held by the Funds as restricted assets of Grand Opening and Marketing Funds and Unexpended Grand Opening and Marketing Funds within current assets and current liabilities, respectively, in the consolidated balance sheets. The assets and liabilities held by the Funds consist primarily of cash, receivables, accrued expenses, and any cumulative surplus or deficit related specifically to the Funds. The revenues, expenses, and cash flows of the Funds are not included in the Company's consolidated statements of operations and comprehensive income (loss) because the Company does not have complete discretion over the usage of the funds. Contributions to the Funds are restricted to be used for advertising, marketing, and administrative expenses and programs to increase sales and further enhance the public reputation of each of the brands. The Restricted Assets of Grand Opening and Marketing Funds includes Cash of $225,331 and Accounts Receivable of $106,614.

Property and Equipment

Property and equipment consists primarily of office furnishings and computer hardware and software, stated at cost, less accumulated depreciation and amortization. All repairs that improve or extend the lives of the property are capitalized. Depreciation is computed using the straight-line method over estimated useful lives ranging from two to ten years.

Intangible Assets

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350, *Intangibles - Goodwill and Other*, the Company reviews its long-lived assets, including property, equipment and intangibles with finite lives, for impairment whenever events indicate that the carrying amounts of an asset may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if impairment is necessary. There was no impairment of the Company's long-lived assets for the years ended December 31, 2018 and 2017.

Revenue Recognition Franchise Operations

The Company recognizes revenue from continuing franchise fees generated by sales at franchisees as they are earned and become receivable from the franchisee.

Initial franchise fees are recognized when collected, all material services or conditions relating to the fees have been substantially performed, and the franchisees commence operation of their stores. Commissions paid in relation to initial franchise fees are deferred until the initial franchise fee is recognized. Expenses, including advertising, related to continuing services are charged to operations as incurred.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense was $15,138 and $23,981 for the years ended December 31, 2018 and 2017, respectively, and is included in general and administrative expenses in the Consolidated Statements of Operations and Comprehensive (loss) income.

Income Taxes

The Company follows FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a comprehensive model for how an organization should measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements as of December 31, 2018 and 2017.

Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

The Company files income tax returns with the U.S. federal government and with various state and local governments. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities in these jurisdictions for years prior to 2015.

Subsequent Events

Subsequent events have been evaluated through March 26, 2019, which is the date the consolidated financial statements were available to be issued.

Recent Accounting Pronouncements

In May 2014, the FASB issued Account Standards Update (ASU) No. 2014-09, *"Revenue from Contracts with Customers (Topic 606)",* which established a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP, including those that previously followed industry specific guidance such as real estate, construction and software industries. The revenue standard's core principle is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The statement is effective for private entities for annual periods beginning after December 15, 2018. The Company is in the process of evaluating the potential impact of ASU 2014-09 on its consolidated financial statements and it has not yet determined the method by which the standard will be adopted in 2019.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*". The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for private entities for annual periods beginning after December 15, 2019. The Company is in the process of evaluating the potential impact of ASU 2016-02 on its consolidated financial statements and has not yet determined the method by which the standard will be adopted in 2020.

In December 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows", to clarify the presentation of restricted cash in the statement of cash flows. ASU 2016-18 updates Topic 230 to address diversity in practice due to a lack of guidance on how to classify and present changes in restricted cash or restricted cash equivalents in the statement of cash flows. The ASU does not define restricted cash and there is no intent to change practice for what an entity reports as restricted cash. The amendments require that a statement of cash flows explain the change during the period in restricted cash or restricted cash equivalents, in addition to changes in cash and cash equivalents. That is, restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Consequently, transfers between cash and restricted cash will not be presented as a separate line item in the operating, investing or financing sections of the cash flow statement. The Company is in the process of evaluating the potential impact of ASU 2016-18 on its consolidated financial statements and will adopt ASU 2016-18 in 2019.

3. Property and Equipment

Property and equipment consists of:

December 31,		**2018**		2017
Computer hardware and software	**$**	**122,718**	$	122,718
Furniture and fixtures		**78,794**		84,588
		201,512		207,306
Less accumulated depreciation and amortization		**198,353**		198,858
	$	**3,159**	$	8,448

Depreciation expense charged against income totaled $5,289 and $5,206 for the years ended December 31, 2018 and 2017, respectively.

4. Intangible Assets

The Company owns franchise agreements that have an original cost of $1,864,551. These agreements are amortized using the straight-line method over 17 years. Accumulated amortization at December 31, 2018 and 2017 totaled $1,721,831 and $1,655,975, respectively. The weighted average amortization period of the agreements at December 31, 2018 is approximately 2.17 years. Amortization expense related to franchise agreements amounted to $65,856 for both the years ended December 31, 2018 and 2017.

Estimated remaining amortization expense is as follows:

Years Ending December 31,		
2019		65,856
2020		65,856
2021		11,008
	$	142,720

5. Long-Term Debt

Long-term debt consists of the following:

December 31,	**2018**	2017
Note payable to venture capital fund, secured by all assets of the Company, interest accrues at 6% per annum, 3% payable monthly and 3% payable monthly or accrued to principal, principal due June 30, 2020.	**2,502,849**	2,427,960
	$ 2,502,849	$ 2,427,960

Effective March 1, 2017, the Company amended the terms of its outstanding notes payable with its debtholders. Terms of the amendment included a reduction of the stated interest rate of 12% per annum, to 6% per annum, and also increased the outstanding principal balance to $2,373,021 on each note to account for to paid-in-kind interest expense accrued from January 1, 2017 to February 28, 2017.

On February 21, 2018, the Company and its remaining debtholder entered into an agreement to further amend the terms of the note payable. Under this amendment, which is effective March 1, 2018, the outstanding principal balance on the note payable increased to $2,439,912, and the maturity date on the note was extended to June 30, 2020.

Debt Extinguishment

Effective November 21, 2017, the Company and one of its debtholders executed a surrender agreement which cancelled the note payable to such debtholder and released the Company of any further obligations related to the note. As a result, the Company extinguished the obligation by derecognizing the liability, including unpaid principal and interest outstanding at November 21, 2017, and recorded a gain of $2,419,893 in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2017.

The gain on extinguishment included $2,373,021 of principal and $46,872 of paid-in-kind interest which accrued from January 1, 2017 to November 21, 2017. There was no additional debt extinguishment activity during 2018.

Related Party Activity

All debt outstanding at December 31, 2018 and 2017 was payable to a related party. The Company recognized total interest expense of $149,777 and $320,831 in connection with its long-term debt during the fiscal years ended December 31, 2018 and 2017, respectively.

6. Stockholders' Deficit

The Company's equity consists of 2,000,000 authorized shares of $0.001 par value common stock.

At December 31, 2018 and 2017, 1,479,445 shares were issued and 1,472,250 were outstanding.

7. Employee Benefit Plan

The Company sponsors a 401(k) profit sharing plan for employees with over three months of service. Employees may contribute up to the maximum amount allowed by the Internal Revenue Service. Company contributions are made at the discretion of the Board of Directors. Company contributions amounted to $12,882 and $10,102 for the years ended December 31, 2018 and 2017, respectively, and are included in general and administrative expense on the Consolidated Statements of Operations and Comprehensive (loss) income.

8. Commitments and Contingencies

The Company leases buildings and office equipment under various noncancellable operating leases with expiration dates through December 2019. Rent expense charged to operating expenses in the Consolidated Statements of Operations and Comprehensive (loss) income for operating leases totaled $61,273 and $59,753 for the years ended December 31, 2018 and 2017, respectively.

Future minimum lease payments under noncancellable operating leases with initial or remaining lease terms in excess of one year as of December 31, 2018 are as follows:

Years Ending December 31,	
2019	48,116
	$ 48,116

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability which may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the Company.

9. Income Taxes

The provision for income tax expense consists of the following:

Years Ending December 31,	**2018**	2017
Current income tax expense	**$ -**	$ -
Deferred income tax expense	**-**	-
Total income tax expense	**$ -**	$ -

The net deferred tax asset is shown in the accompanying consolidated balance sheet as follows:

December 31,	**2018**	2017
Deferred tax assets:		
Net operating loss (NOL)	**$ 9,065**	$ 121,650
Allowance for doubtful accounts	**136,924**	139,038
Interest income Section 163(j)	**65,568**	65,567
Total deferred tax assets	**$ 211,557**	$ 326,255
Deferred tax liabilities:		
Prepaid expenses	**$ (985)**	$ (985)
Intangible assets	**(35,152)**	(51,372)
Property and equipment	**-**	(884)
Total deferred tax liabilities	**(36,137)**	(53,241)
Valuation allowance	**(175,420)**	(273,014)
Net deferred tax asset	**$ -**	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As a result of recurring historical losses, management believes there is a risk that its deferred tax assets may not be recoverable, and thus established a full valuation allowance against its net deferred tax assets at December 31, 2018 and 2017. Accordingly, the Company has not recorded a provision for federal and state income taxes for the years ended December 31, 2018 or 2017. The Company's valuation allowance does not impact the Company's ability to use its deferred tax assets to offset future taxable income.

At December 31, 2018, the Company has net operating loss carryforwards (NOL carryforwards) for federal income tax purposes of $31,242, which are available to offset future federal taxable income. The NOL carryforwards expire through 2038.

The Company's deferred tax assets and liabilities, including the valuation allowance were revalued at December 31, 2017 due to the enactment of the Tax Cuts and Jobs Act on December 22, 2017. The gross deferred tax assets and liabilities in the table above and offsetting valuation allowance reflect the reduction in the U.S. corporate income tax rate from 35% to 21% beginning January 1, 2018.

As described in Note 5, the Company recorded a $2,419,893 gain on extinguishment of debt during 2017. This gain was treated as a non-taxable permanent difference in calculating the Company's income tax provision for the year ended December 31, 2017. As a result of this extinguishment, effective January 1, 2018, the Company's NOL carryforwards generated by losses incurred in years 2017 and prior were reduced to $0.

FCI HOLDINGS COMPANY, INC.
AND SUBSIDIARIES

Consolidated Financial Statements
Years Ended December 31, 2017 and 2016

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

Consolidated Financial Statements
Years Ended December 31, 2017 and 2016

Contents

Independent Auditor's Report

Board of Directors
FCI Holdings Company, Inc.
St. Louis, Missouri

We have audited the accompanying consolidated financial statements of FCI Holdings Company, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive income (loss), stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of one foreign subsidiary for 2016, which statements reflect total assets of $151,390 as of December 31, 2016 and total revenues of $98,634 for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiaries, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the reports of the other auditors for 2016, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FCI Holdings Company, Inc. as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

March 26, 2018

Consolidated Financial Statements

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31,		**2017**		2016
Assets				
Current Assets				
Cash	**$**	**357,110**	$	233,844
Accounts receivable, net		**30,934**		92,858
Prepaids and other current assets		**40,814**		43,179
Restricted assets of Grand Opening and Marketing Funds		**359,430**		389,224
Total Current Assets		**788,288**		759,105
Notes Receivable From Franchisees		**10,000**		10,000
Property and Equipment, net		**8,448**		11,194
Intangible Assets, net		**208,576**		274,432
Total Assets	**$**	**1,015,312**	$	1,054,731
Liabilities and Stockholders' Deficit				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**231,480**	$	247,672
Deferred initial franchise fee income		**50,000**		50,000
Unexpended Grand Opening and Marketing Funds		**372,301**		348,432
Total Current Liabilities		**653,781**		646,104
Long-Term Debt		**2,427,960**		4,699,716
Total Liabilities		**3,081,741**		5,345,820
Stockholders' Deficit				
Common stock		**1,479**		1,479
Additional paid-in capital		**3,476,222**		3,476,222
Treasury stock, at cost		**(22,702)**		(22,702)
Accumulated other comprehensive (loss) income		**(5,249)**		5,552
Accumulated deficit		**(5,516,179)**		(7,751,640)
Total Stockholders' Deficit		**(2,066,429)**		(4,291,089)
Total Liabilities and Stockholders' Deficit	**$**	**1,015,312**	$	1,054,731

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Years Ended December 31,		**2017**		2016
Revenue				
Continuing franchise fees	**$**	**1,132,859**	$	1,246,019
Initial franchise fees		**5,000**		12,500
Total Revenue		**1,137,859**		1,258,519
Operating Costs and Expenses				
Cost of franchise services		**796,004**		747,391
General and administrative		**154,206**		148,440
Depreciation and amortization		**71,100**		69,726
Total Operating Costs and Expenses		**1,021,310**		965,557
Operating Income		**116,549**		292,962
Other Income (Expense)				
Gain on extinguishment of debt		**2,419,893**		-
Interest expense		**(320,831)**		(573,365)
Other income, net		**19,850**		11,086
Total Other Income (Expense)		**2,118,912**		(562,279)
Income (Loss) Before Provision for Income Taxes		**2,235,461**		(269,317)
Income Tax Provision		**-**		334,487
Net Income (Loss)		**2,235,461**		(603,804)
Other Comprehensive Loss				
Foreign currency translation		**(10,801)**		(2,358)
Comprehensive Income (Loss)	**$**	**2,224,660**	$	(606,162)

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

Years Ended December 31, 2017 and 2016

	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, December 31, 2015	$ 1,479	$ 3,476,222	$ (22,702)	$ 7,910	$ (7,147,836)	$ (3,684,927)
Net loss	-	-	-	-	(603,804)	(603,804)
Foreign currency translation adjustments	-	-	-	(2,358)	-	(2,358)
Balance, December 31, 2016	1,479	3,476,222	(22,702)	5,552	(7,751,640)	(4,291,089)
Net Income	**-**	**-**	**-**	**-**	**2,235,461**	**2,235,461**
Foreign currency translation adjustments	**-**	**-**	**-**	**(10,801)**	**-**	**(10,801)**
Balance, December 31, 2017	**$ 1,479**	**$ 3,476,222**	**$ (22,702)**	**$ (5,249)**	**$ (5,516,179)**	**$ (2,066,429)**

The accompanying notes are an integral part of these consolidated financial statements.

FCI HOLDINGS COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,		**2017**		2016
Cash Flows From Operating Activities				
Net income (loss)	**$**	**2,235,461**	$	(603,804)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:				
Deferred income taxes		**-**		262,079
Depreciation and amortization		**71,100**		69,726
Loss on sale of property and equipment		**258**		885
Gain on early extinguishment of debt		**(2,419,893)**		-
Deferred interest added to principal of long-term debt		**148,137**		-
Changes in operating assets and liabilities:				
Decrease in accounts receivable		**61,924**		937
Decrease in prepaids and other current assets		**2,365**		73,445
Decrease in accounts payable and accrued liabilities		**(16,192)**		(25,926)
Grand Opening and Marketing Funds, net		**53,663**		(82,219)
Other		**(10,763)**		(2,395)
Net Cash Provided (Used) By Operating Activities		**126,060**		(307,272)
Cash Flows From Investing Activities				
Purchases of property and equipment		**(2,794)**		(12,705)
Net Cash Used By Investing Activities		**(2,794)**		(12,705)
Net Increase (Decrease) in Cash		**123,266**		(319,977)
Cash, Beginning of year		**233,844**		553,821
Cash, End of year	**$**	**357,110**	$	233,844
Supplemental Disclosure of Cash Flows Information:				
Cash paid for interest	**$**	**160,398**	$	286,682
Non-Cash Financing Activities				
Extinguishment of debt	**$**	**2,419,893**	$	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

FCI Holdings Company, Inc. ("FCI") was formed in 2004 to purchase Franchise Concepts, Inc. and subsidiaries. Franchise Concepts, Inc. is a Delaware corporation whose wholly owned subsidiaries, Deck the Walls, Inc. ("DTW"), The Great Frame Up Systems, Inc. ("GFU"), Mapleleaf, Inc. (wholly owned subsidiary of DTW) and Mapleleaf Franchise Concepts, Inc. ("MFCI") (a Canadian federal company and wholly owned subsidiary of DTW), franchise retail stores that offer for sale a variety of posters, prints, ready-made frames and in-store custom framing services throughout the United States and Canada. During 2007, GFU and DTW were merged into FCI.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of FCI and its wholly owned subsidiaries (collectively, the "Company"). Significant intercompany accounts and transactions have been eliminated.

Foreign Currency Translation and Transactions

The balance sheet of MFCI is translated into U.S. dollars using current exchange rates since the functional currency of MFCI is the Canadian dollar. The statement of operations is translated at the average exchange rate prevailing during the period. Adjustments resulting from these translations are included as a separate component of stockholders' deficit and are immaterial to the consolidated financial statements taken as a whole for the years ended December 31, 2017 and 2016.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the period. Actual results may differ from those estimates.

Concentration of Credit Risk

Concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash accounts at high credit quality financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Company attempts to minimize credit risk from accounts receivable by reviewing each customer's credit history before extending credit.

Accounts Receivable and Notes Receivable

Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances. Accounts are considered past due on an individual basis. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance account based on its assessment of the current status of individual accounts and notes. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance account and a credit to accounts or notes receivable.

The allowance for doubtful accounts totaled $648,620 and $701,633 at December 31, 2017 and 2016, respectively. The allowance for doubtful accounts represents a significant percentage of gross accounts receivable as certain franchisees are delinquent on royalty payments. The Company is actively pursuing collection on all such amounts outstanding, including those for which a full reserve has been provided at December 31, 2017.

Restricted Assets – Grand Opening and Marketing Funds

The Company administers Grand Opening and Marketing Funds (“the Funds”) on behalf of the franchisees and collects these cash amounts from the franchisees in accordance with the provisions of the franchise agreements. The Company acts as an agent with regard to these contributions. The Company consolidates and reports all assets and liabilities held by the Funds as restricted assets of Grand Opening and Marketing Funds and Unexpended Grand Opening and Marketing Funds within current assets and current liabilities, respectively, in the consolidated balance sheets. The assets and liabilities held by the Funds consist primarily of cash, receivables, accrued expenses, and any cumulative surplus or deficit related specifically to the Funds. The revenues, expenses, and cash flows of the Funds are not included in the Company’s consolidated statements of operations and comprehensive income (loss) or consolidated statements of cash flows because the Company does not have complete discretion over the usage of the funds. Contributions to the Funds are restricted to be used for advertising, marketing, and administrative expenses and programs to increase sales and further enhance the public reputation of each of the brands.

Property and Equipment

Property and equipment consists primarily of office furnishings and equipment stated at cost, less accumulated depreciation and amortization. All repairs that improve or extend the lives of the property are capitalized. Depreciation is computed using the straight-line method over estimated useful lives ranging from two to ten years.

Intangible Assets

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 350, *Intangibles - Goodwill and Other*, the Company reviews its long-lived assets, including property, equipment and intangibles with finite lives, for impairment whenever events indicate that the carrying amounts of an asset may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset’s carrying amount to determine if impairment is necessary. There was no impairment of the Company's long-lived assets for the years ended December 31, 2017 and 2016.

Revenue Recognition Franchise Operations

The Company recognizes revenue from continuing franchise fees generated by sales at franchisees as they are earned and become receivable from the franchisee.

Initial franchise fees are recognized when collected, all material services or conditions relating to the fees have been substantially performed, and the franchisees commence operation of their stores. Commissions paid in relation to initial franchise fees are deferred until the initial franchise fee is recognized. Expenses, including advertising, related to continuing services are charged to operations as incurred.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense was $23,981 and $24,224 for the years ended December 31, 2017 and 2016, respectively, and is included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss).

Income Taxes

The Company follows FASB ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a comprehensive model for how an organization should measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements as of December 31, 2017 and 2016.

Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

The Company files income tax returns with the U.S. federal government and with various state and local governments. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities in these jurisdictions for years prior to 2014.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

Subsequent events have been evaluated through March 26, 2018, which is the date the consolidated financial statements were available to be issued. As described in Note 5, effective March 1, 2018, the Company amended terms with its debtholder to extend the obligation through June 30, 2020.

Recent Accounting Pronouncements

In May 2014, the FASB issued Account Standards Update (ASU) No. 2014-09, *"Revenue from Contracts with Customers (Topic 606)",* which established a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP, including those that previously followed industry specific guidance such as real estate, construction and software industries. The revenue standard's core principle is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The statement is effective for private entities for annual periods beginning after December 15, 2018. The Company is in the process of evaluating the potential impact of ASU 2014-09 on its consolidated financial statements and it has not yet determined the method by which the standard will be adopted in 2019.

In November 2015, the FASB issued ASU 2015-17 "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which eliminates the guidance in Topic 740, Income Taxes, that required an entity to separate deferred tax liabilities and assets between current and noncurrent amounts in a classified balance sheet. The amendments require that all deferred tax liabilities and assets of the same tax jurisdiction or a tax filing group, as well as any related valuation allowance, be offset and presented as a single noncurrent amount in a classified balance sheet. Prior U.S. GAAP required that in a classified balance sheet, deferred tax liabilities and assets be separated into a current and a noncurrent amount on the basis of the classification of the related asset or liability. If deferred tax liabilities and assets did not relate to a specific asset or liability, such as a carryforward, they were classified according to the expected reversal date of the temporary difference. The amendments are effective for private entities for fiscal years beginning after December 15, 2017. The Company does not expect this pronouncement to have a material impact on the financial statements upon adoption.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*". The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for private entities for annual periods beginning after December 15, 2019. The Company is in the process of evaluating the potential impact of ASU 2016-02 on its consolidated financial statements and has not yet determined the method by which the standard will be adopted in 2020.

3. Property and Equipment

Property and equipment consists of:

December 31,		**2017**		2016
Computer hardware and software	**$**	**122,718**	$	120,747
Furniture and fixtures		**84,588**		79,811
		207,306		200,558
Less accumulated depreciation and amortization		**198,858**		189,364
	$	**8,448**	$	11,194

Depreciation expense charged against income totaled $5,206 and $3,864 for the years ended December 31, 2017 and 2016, respectively.

4. Intangible Assets

The Company owns franchise agreements that have an original cost of $1,864,551. These agreements are amortized using the straight-line method over 17 years. Accumulated amortization at December 31, 2017 and 2016 totaled $1,655,975 and $1,590,119, respectively. The weighted average amortization period of the agreements at December 31, 2017 is approximately 3.17 years. Amortization expense related to franchise agreements amounted to $65,856 for both the years ended December 31, 2017 and 2016.

Estimated remaining amortization expense is as follows:

Years Ending December 31,		
2018	$	65,856
2019		65,856
2020		65,856
2021		11,008
	$	208,576

5. Long-Term Debt

Long-term debt consists of the following:

December 31,	**2017**	2016
Note payable to venture capital fund, secured by all assets of the Company, interest accrues at 6% per annum, 3% payable monthly and 3% payable monthly or accrued to principal, extinguished November 21, 2017.	**$ -**	$ 2,349,858
Note payable to venture capital fund, secured by all assets of the Company, interest accrues at 6% per annum, 3% payable monthly and 3% payable monthly or accrued to principal, principal due June 30, 2020.	**2,427,960**	2,349,858
	$ 2,427,960	$ 4,699,716

Effective March 1, 2017, the Company amended the terms of its outstanding notes payable with its debtholders. Terms of the amendment included a reduction of the stated interest rate of 12% per annum, to 6% per annum, and also increased the outstanding principal balance to $2,373,021 on each note to account for to paid-in-kind interest expense accrued from January 1, 2017 to February 28, 2017.

On February 21, 2018, the Company and its remaining debtholder entered into an agreement to further amend the terms of the note payable. Under this amendment, which is effective March 1, 2018, the outstanding principal balance on the note payable increases to $2,439,912, and the maturity date on the note is extended to June 30, 2020.

Debt Extinguishment

Effective November 21, 2017, the Company and one of its debtholders executed a surrender agreement which cancelled the note payable to such debtholder and released the Company of any further obligations related to the note. As a result, the Company extinguished the obligation by derecognizing the liability, including unpaid principal and interest outstanding at November 21, 2017, and recorded a gain of $2,419,893 in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2017.

The gain on extinguishment included $2,373,021 of principal and $46,872 of paid-in-kind interest which accrued from January 1, 2017 to November 21, 2017.

Related Party Activity

All debt outstanding at December 31, 2017 and 2016 was payable to a related party. The Company recognized total interest expense of $320,796 and $573,365 in connection with its long-term debt during the fiscal years ended December 31, 2017 and 2016, respectively.

6. Common Stock Warrants

On January 29, 2016, the Company executed a Warrant Termination Agreement with the warrant holders whereby the warrant holders cancelled all rights, duties, and obligations of the Company under the warrant agreement. The 312,742, $0.001 per share value of shares authorized in connection with that Warrant Agreement were terminated, and the impact of this termination was immaterial to the consolidated financial statements.

7. Stockholders' Deficit

The Company's equity consists of 2,000,000 authorized shares of $0.001 par value common stock.

At December 31, 2017 and 2016, 1,479,445 shares were issued and 1,472,250 were outstanding.

8. Employee Benefit Plan

The Company sponsors a 401(k) profit sharing plan for employees with over three months of service. Employees may contribute up to the maximum amount allowed by the Internal Revenue Service. Company contributions are made at the discretion of the Board of Directors. Company contributions amounted to $10,102 and $11,330 for the years ended December 31, 2017 and 2016, respectively and are included in general and administrative expense on the consolidated statements of operations.

9. Commitments and Contingencies

The Company leases buildings and office equipment under various noncancellable operating leases with expiration dates through December 2019. Rent expense charged to operating expenses in the consolidated statements of operations and comprehensive income (loss) for operating leases totals $59,753 and $60,993 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments under noncancellable operating leases with initial or remaining lease terms in excess of one year as of December 31, 2017 are as follows:

Years Ending December 31,	
2018	$ 59,376
2019	48,116
	$ 107,492

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability which may ultimately result from the resolution of these matters will not have a material effect on the financial condition or results of operations of the Company.

10. Income Taxes

The provision for income tax expense consists of the following:

Years Ending December 31,		**2017**		2016
Current income tax expense	**$**	**-**	$	72,408
Deferred income tax expense		**-**		262,079
Total income tax expense	**$**	**-**	$	334,487

The net deferred tax asset is shown in the accompanying consolidated balance sheet as follows:

December 31,		**2017**		2016
Deferred tax assets:				
Net operating loss (NOL)	**$**	**121,650**	$	130,811
Allowance for doubtful accounts		**139,038**		220,811
Accrued expenses - other		**-**		676
Interest Income Section 163(j)		**65,567**		94,466
Total deferred tax assets	**$**	**326,255**	$	446,764
Deferred tax liabilities:				
Prepaid expenses	**$**	**(985)**	$	(1,505)
Intangible assets		**(51,372)**		(103,269)
Property and equipment		**(884)**		(1,280)
Total deferred tax liabilities		**(53,241)**		(106,054)
Valuation allowance		**(273,014)**		(340,710)
Net deferred tax asset	**$**	**-**	$	-

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As a result of recurring historical losses, management believes there is a risk that its deferred tax assets may not be recoverable, and accordingly established a full valuation allowance against its net deferred tax assets at December 31, 2016, resulting in a charge of $340,710 to the statement of operations and comprehensive income (loss). The Company remained in a full valuation allowance position at December 31, 2017 and accordingly has not recorded a provision for federal and state income taxes for the year ended December 31, 2017. The Company's valuation allowance does not impact the company's ability to use its deferred tax assets to offset future taxable income.

At December 31, 2017, the Company has net operating loss carryforwards (NOL carryforwards) for federal income tax purposes of $534,710, which are available to offset future federal taxable income. The NOL carryforwards expire between 2034 and 2037.

The Company's deferred tax assets and liabilities, including the valuation allowance were revalued at December 31, 2017 due to the enactment of the Tax Cuts and Jobs Act on December 22, 2017. The gross deferred tax assets and liabilities in the table above and offsetting valuation allowance reflect the reduction in the U.S. corporate income tax rate from 35% to 21% beginning January 1, 2018.

As described in Note 5, the Company recorded a $2,419,893 gain on extinguishment of debt during fiscal 2017. This gain was treated as a non-taxable permanent difference in calculating the Company's income tax provision for the year ended December 31, 2017. Certain tax attributes, including the Company's NOL carryforwards, could be reduced going forward as a result of this treatment should the Company generate taxable income in the future.

EXHIBIT D

THE GREAT FRAME UP
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

INDEX

ARTICLE **PAGE**

THE GREAT FRAME UP

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made and entered into on ___________________, between Franchise Concepts, Inc., a Delaware Corporation with offices at 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098 (hereinafter referred to as "the Company"), and _____________ ________________________________, (hereinafter referred to as "the Franchisee").

RECITATIONS

WHEREAS, the Company, as a result of the expenditure of time, skill, effort, and money, has developed and owns a unique system (hereinafter referred to as "the System") related to the training of franchisees, the opening and operation of retail outlets which sell frames, prints and related products and services under the name and style THE GREAT FRAME UP, the distinguishing characteristics of the System which include, without limitation, special merchandising, marketing and specially designed facilities, interior and exterior layout and trade dress; standards and specifications for fixtures and equipment, methods for keeping books and records, and inventory control system; all of which may be changed, improved and further developed by the Company from time to time; and

WHEREAS, the Company is the owner of the entire right, title and interest in the trade name, service mark and trademark THE GREAT FRAME UP, which is registered on the Principal Register of the United States Patent Office, and such other trade names, service marks and trademarks as are now designated as part of (and may hereinafter be designated by the Company in the Policy & Procedures Manual or otherwise in writing as part of) the System (hereinafter referred to as "Proprietary Marks"), and the Company continues to develop, use and control such Proprietary Marks for the benefit and exclusive use of itself and its franchisees in order to identify to the public the source of goods and services marketed thereunder and the Company's System and represent the System's high standards of quality, appearance and services; and

WHEREAS, the Franchisee wishes to obtain from the Company a license to conduct and operate a retail outlet under the Company's System as well as to receive the training and other assistance provided by the Company in connection therewith; and

WHEREAS, the Franchisee appreciates and acknowledges the importance of the Company's standards of quality, appearance and service as a necessity of owning and operating a franchise outlet in conformity with the Company's standards and specifications; and

WHEREAS, the Franchisee acknowledges that:

1) The Franchisee has received from the Company a copy of the Company's Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise, prior to the payment by the Franchisee to the Company of any consideration in connection with the sale or proposed sale of the franchise granted hereby;

2) No representation, warranty, or guarantee, express or implied, has been made by the Company (or any employee, agent, or salesperson thereof) and relied upon by the Franchisee as to the potential volume, profit, success, or the viability of the Franchisee's licensed business or of any other The Great Frame Up retail store other than the information provided in the Company's Franchise Disclosure Document;

3) The business venture contemplated by the Franchise Agreement involves business risks;

4) The Franchisee's success will be largely dependent upon the Franchisee's ability as an independent business person;

5) The Franchisee has received and read, and does understand this Franchise Agreement and any attachments;

6) If so requested, the Company has fully and adequately explained each provision of this Franchise Agreement to the Franchisee's satisfaction;

7) The Franchisee has been advised to consult with the Franchisee's own advisors with respect to the legal, financial, and other aspects of this Franchise Agreement, the business franchised hereby, and the prospects for such business. The Franchisee has either consulted with such advisors or has deliberately declined to do so;

8) Any written inquiries made to the Company pertaining to the nature of this franchise have been answered in writing to the satisfaction of the Franchisee;

9) The Franchisee had the opportunity to independently investigate, analyze, and construe both the business opportunity being offered hereunder and the terms and provisions of this Franchise Agreement, utilizing the services of counsel, accountants, or other advisors (if the Franchisee so elects);

10) Any and all applications, financial statements, and representations, whether oral or in writing, submitted to the Company by the Franchisee were complete and accurate when submitted and are complete and accurate as of the date of execution of this Franchise Agreement, unless the same have been otherwise amended in writing;

11) The Company has certain rights reserved to it to own, operate, and franchise in areas other than the designated and to otherwise use the System, Proprietary Marks, know-how, techniques, and procedures including, but not limited to, those expressly set forth in Article I.C.;

12) The Franchisee agrees not to contest, directly or indirectly, the Company's ownership, title, right, or interest in its names or marks, trade secrets, methods, procedures, and advertising techniques which are part of the Company's business or contest the Company's sole right to register, use, or license others to use such names and marks, trade secrets, methods, procedures, and techniques; and

13) The Franchisee's signature to this Franchise Agreement has not been induced by any representation inconsistent with the terms of this Franchise Agreement or inconsistent with the Franchise Disclosure Document given to the Franchisee by the Company;

WHEREAS, the Franchisee represents and warrants that the Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by the Franchisee of the obligations under this Franchisee Agreement, and that the Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation or legal proceedings other than those heretofore disclosed to the Company in writing; and

WHEREAS, the Franchisee represents and warrants that neither the Franchisee nor any person or firm cooperating, assisting or acting with the Franchisee in connection with the opening of this franchise, or upon whom or which he may be relying for any assistance in this matter, direct or indirect, financial or otherwise, is a party to any contract, agreement or arrangement which limits, prohibits or purports to limit or prohibit the Franchisee's entering into this Franchise Agreement or performing the Franchisee's obligations hereunder;

NOW, THEREFORE, the parties in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

I. APPOINTMENT

A. The Company shall grant to the Franchisee, subject to the terms, conditions and obligations herein contained, the right and license to operate a retail store under the trade name and style THE GREAT FRAME UP and to use in connection therewith the Company's System at, and only at, a mutually agreeable location, and which shall be provided for on Exhibit "A" within thirty (30) days of the date of the Franchise Agreement (hereinafter referred to as the "Designated Premises").

B. The parties expressly agree that the license granted herein relates solely to the Designated Premises and affords to the Franchisee no rights regarding such other franchises or other locations, if any, as the Company, in its sole discretion, may elect to make available to the Franchisee or to other franchisees or for the Company's own use in the future.

C. The Franchisee expressly acknowledges and agrees that this license is non-exclusive, and that the Company retains, among others, the right, in its sole discretion:

1) To grant other franchises and/or licenses for its Proprietary Marks in addition to those franchises and/or licenses already granted to existing franchisees.

2) To develop and establish other franchise or licensed systems for the same or similar products or services utilizing the same or similar Proprietary Marks, or any other Proprietary Marks not now or hereafter designated as part of the System licensed by this Agreement and to grant franchises and/or licenses thereto without providing the Franchisee any right therein.

3) To use the Proprietary Marks in connection with the manufacture and sale of products at wholesale and at retail.

II. TERM AND RENEWAL

A. Unless previously terminated pursuant to this Franchise Agreement, the term of this Franchise Agreement shall be for a period of ten (10) years.

B. If the Franchisee wishes this Franchise Agreement to be renewed by the Company for an additional term, the Franchisee shall provide the Company written notice of this request for renewal not less than nine (9) months, nor more than twelve (12) months, prior to the end of the term of this Franchise Agreement. The Company shall not unreasonably withhold its approval of such requests for renewal provided, however, that in order to be considered for renewal, the Franchisee agrees to comply with the following conditions:

1) The Franchisee is not, when the request for renewal is made, or at the end of the initial term hereof, in default of any provision of this Franchise Agreement, any amendment hereof or successor hereto, or any other agreement between the Franchisee and the Company or the landlord, and the Franchisee has complied with the terms and conditions of all such agreements during the term of this Franchise Agreement.

2) All obligations owed by the Franchisee to the Company and to the landlord have been satisfied prior to renewal, and timely met throughout the term of this Franchise Agreement.

3) The Franchisee executes the Company's then-current Franchise Agreement, in use with respect to new franchisees, which may contain terms and conditions substantially different from those set forth herein, including, without limitation, the then-current rate for royalties, advertising and other payments as such Franchise Agreement may provide; provided, however, that the Franchisee shall not be required to pay any additional initial franchise fee as may be set forth in the then-current Franchise Agreement.

4) The Franchisee shall execute a general release under seal, in a form satisfactory to the Company, of any and all claims it may have against the Company and its officers, directors, shareholders and employees, in their corporate and individual capacities, including without limitation, all claims arising under any federal, state or local law, rule or ordinance. If this franchise is situated in a state whose law, at the time of renewal, prohibits the giving of a general release as a condition for the renewal of a franchise, then this sub-paragraph 4 shall not, in such event, be a condition to renewal of this franchise, unless a release of some, but not all, claims is permitted, in which instance the Franchisee shall give a release to the extent permitted.

5) The Franchisee has made or has provided for such renovation and modernization of the Designated Premises as the Company requires, including, without limitation, signs, equipment, furnishings and decor so as to reflect the then-current store appearance standards of the Company.

6) The Franchisee completes any additional education or training programs that the Company may then require for franchisees upon renewal.

III. FEES

A. In consideration of the license granted herein, the Franchisee shall pay to the Company the following fees:

1) Prior to execution of this Franchise Agreement, the Franchisee shall pay to the Company an initial franchise fee of thirty thousand dollars ($30,000.00), which fee shall be deemed fully earned upon execution of this Franchise Agreement by the Company as consideration for the Company's services to that time, including, without limitation, screening of the Franchisee candidate, counseling and consultation.

2) A continuing royalty fee during the term of this Franchise Agreement (except as otherwise specified in Article II, Paragraph B.3. above) of six percent (6%) of the Franchisee's gross sales of all goods and services.

3) Prior to attending initial training, the Franchisee shall pay to the Company a Grand Opening Advertising fee of twenty-two thousand five hundred dollars ($22,500.00). Thereafter, the franchisee shall pay a continuing Advertising Fund contribution during the term of this Franchise Agreement in an amount to be determined by the Company but which shall not exceed two percent (2%) of the Franchisee's gross sales of all goods and services.

B. All royalty fees and Advertising Fund contributions required by this Article III shall be due and payable each Monday at 2:00 pm Central Standard Time on all gross sales of, and on all receipts received for, all goods and services made by the Franchisee during the preceding week commencing at 12:01 a.m. on Monday and ending on Sunday at Midnight in the same time zone where the franchised store is located. The Franchisee shall make arrangements with its local bank to allow the Company to draw a draft on the Franchisee's bank account for the amount of all fees and payments due the Company on a weekly basis. Any payment which cannot be collected by the Company from the Franchisee's bank on the due date shall be deemed overdue, and the Franchisee shall be in default under this Franchise Agreement. If any payment or report is overdue, the Franchisee shall pay to the Company, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the maximum rate permitted by law. Entitlement to collect such interest shall be an addition to any and all other remedies the Company may have.

C. The Company shall at all times, and without notice to the Franchisee, have the right to poll the Franchisee's store register by computer modem, or other electronic means, in order to obtain sales data and other available information.

D. Gross sales of goods and services shall mean the dollar aggregate of the sales price on all goods, wares, merchandise and services sold by the Franchisee, whether sold for cash, for payment by check, on credit or otherwise, without reserve or deduction for the inability or failure to collect for the same from the Franchisee's customer, and all other things of value received by the Franchisee as payment in the course of such operations. Gross sales shall not include: (1) authorized cash or credit refunds made upon transactions that were previously included within gross sales, not exceeding the selling price of merchandise returned by the purchaser and accepted by the Franchisee which refunds may be deducted from gross sales in the month made; or (2) the amount of any separately collected and stated city, county, state or federal sales luxury or excise tax on such sales, which the Franchisee actually pays to the taxing authorities; provided, however, that no franchise or capital-stock tax or any other similar tax based upon income, profits or gross sales shall be deducted from gross sales as defined herein.

E. No payments to be made to the Company by the Franchisee, whether for royalties, Advertising Fund contributions, merchandise or otherwise, may be reduced on account of the imposition by any federal, state or local authority of any tax, charge or assessment. All such taxes, charges or assessments shall be paid by the Franchisee to the taxing authority in addition to the amounts due to the Company.

F. In the event the Franchisee fails to provide to the Company when due any sales, financial statement or other report which the Franchisee is obligated by this Agreement to provide to the Company, and such failure shall continue for a period of ten (10) days past the due date, the Franchisee shall pay to the Company a late fee with respect to each such report in the amount of $10.00 per day beginning with the eleventh (11) day after the date when due, regardless of whether such day is a holiday or not. The imposition of late reporting fees shall be in addition to, and not in lieu of, any other remedy available to the Company for failure to report.

IV. DUTIES OF THE COMPANY

A. The Company shall make available to two (2) persons designated by the Franchisee, who will be the owners and/or principal operators of the store, an initial management training program at a location designated by the Company. The training program shall be held prior to commencing business unless the Company shall specifically permit the same to be held at some other time. The cost of the instruction and required materials, shall be borne by the Company. All other expenses during the initial training period, including without limitation, accommodations, travel and wages of the persons to be trained shall be borne by the Franchisee. The Company may make available to the Franchisee or to the Franchisee's employees from time to time such additional training programs as the Company, in its sole discretion, may choose to conduct. Attendance at said training programs, including the Sales & Management Training Program, may be made mandatory by the Company. All expenses during the training period, including, without limitation, the cost of accommodations, travel and wages of the persons to be trained, shall be borne by the Franchisee.

B. The Company may, at its option and upon such terms as it deems advisable, provide opening assistance and continuing advisory assistance in the operation of the licensed business.

C. The Company shall provide one copy of the Policy & Procedures Manual to the Franchisee, as more fully described in Article VIII hereof.

D. The Company shall continue its efforts to maintain high standards of quality, cleanliness, appearance and service at all franchised and Company stores, and to that end may:

1) Conduct periodic inspections of the Designated Premises licensed herein, and periodic evaluation of the products sold and used by the Franchisee.

2) When deemed advisable by the Company, provide to the Franchisee copies of particular standards and specifications.

E. The Company shall not, by virtue of any approvals or advice provided to the Franchisee, including without limitation site selection or approval as provided under Paragraph V.A., hereof, assume responsibility or liability to the Franchisee or to any third party to which it would not otherwise be responsible or liable. The Company makes no warranties or guarantees thereby, expressed or implied, as to the potential volume, profits or success of this particular franchised business.

V. DUTIES OF THE FRANCHISEE

A. In the event the Franchisee requests the Company to do so, and the Company chooses to obtain and develop a location for the Designated Premises and sublet the premises to the Franchisee, the Franchisee will:

1) Accept occupancy of the premises made available to it by the Company by means of a sublease agreement wherein the Company shall be the sublessor and the Franchisee shall be the sublessee. Such sublease shall provide that the sublessee is fully obligated to all the terms, conditions and covenants contained in the prime lease plus such additional obligations as shall be recited in the sublease.

2) Accept and occupy the Designated Premises within ten (10) days of receipt of notice from the Company that such premises are available for occupancy. The Company will not be responsible or liable for any damages incurred by the Franchisee resulting from delays in construction or from any other event beyond the reasonable control of the Company.

B. The Company is not obligated to become the lessee of business premises for the purpose of subleasing them to the Franchisee. Where the Company does not become the Franchisee's landlord through a subleasing or other arrangement, the lease between the Franchisee and the landlord shall not be entered into without being first approved by the Company.

1) It shall be a condition to the Company's approval of a premises lease that the landlord shall agree as follows:

a) The premises will only be used for the operation of the business licensed under the Franchise Agreement.

b) The Company will have the right to enter the premises to make any modifications necessary to protect the Company's Proprietary Marks.

c) Upon the Company's written request, the landlord shall supply the Company with a current copy of the lease, the Franchisee's account information, sales reports and other related information.

d) The Company will have the option, but not the obligation, to assume the lease and the occupancy of the business premises, including the right to sublease to another Franchisee, for all or any part of the remaining term of the lease upon the Franchisee's default or termination thereunder or upon the Franchisee's default or termination or expiration of the Franchise Agreement, and in connection with said assumption the Company will not be obligated to pay to the landlord past due rent, common area maintenance and other charges attributable to more than one month. The landlord shall give the Company thirty (30) days, upon termination of the Franchisee's rights under the lease, to exercise its option.

e) The lease may not be amended, assigned or sublet without the Company's prior written approval.

f) For a period of two (2) years after termination or expiration of the Franchise Agreement, the landlord will not enter into a lease with the Franchisee for business premises for the retail sale of artwork, prints or framing services, within the mall or shopping center in which the Designated Premises are located.

C. Upon the surrender of the Designated Premises, the Franchisee shall conduct a physical inventory so that there is an accurate accounting of inventory on hand, of good and salable merchandise, fixtures, equipment and supplies and shall provide a signed copy of the physical inventory to the Company as of the date of surrender of the premises. In the event the landlord shall elect to terminate the lease for reasons of default by the Franchisee, such lease termination shall constitute a breach of this Franchise Agreement by the Franchisee. In the event the Company assumes control of the Designated Premises and the operation of the business conducted therein, the future operation of that business by the Company shall not be as an agent of the Franchisee, and the Company shall not be required to account to the Franchisee on account thereof.

D. Upon termination of this Franchise Agreement, the Company shall have the option to purchase the Franchisee's inventory and fixtures at thirty-six percent (36%) of the suggested retail list price of good and salable merchandise, plus the lesser of fair market value or book value of equipment and fixtures, minus all sums paid to the landlord to cure lease defaults and minus all sums then owed by the Franchisee to the Company, or to other creditors having an interest in the assets described. If the merchandise inventory contains some products that are not on the suggested retail price list then, as to such products, the Company may elect to take such merchandise at fair wholesale market value or to decline to take such merchandise.

E. The Franchisee shall maintain at all times during the term of this Franchise Agreement and any renewals hereof, at the Franchisee's expense, the Designated Premises and all fixtures, furnishings, signs and equipment therein, in conformity and compliance with the Company's standards and specifications as prescribed in the Policy & Procedures Manual or otherwise in writing; and in connection therewith shall make such addition, alterations, repairs and replacements thereto (but no others without the Company's prior written consent) as may be required for that purpose.

F. The Franchisee shall at all times conduct and operate the franchised business in accordance with all federal, state and local laws, ordinances and regulations applicable thereto, and in addition, shall observe and operate in compliance with all leasehold covenants and regulations of the center or the mall in which such store is located. The Franchisee shall offer for sale only such types of products as shall have been expressly approved for sale in writing by the Company, and maintain at all times a sufficient supply of approved products, as prescribed in the Policy & Procedures Manual or otherwise in writing, which may be revised from time to time by the Company. In the event of a dispute between the Franchisee and the Company concerning the Franchisee's right to carry any particular product or product line, the Franchisee will immediately remove the disputed products from inventory or, if the same are not already in inventory, will defer offering for sale such products pending resolution of the dispute.

G. The Franchisee shall purchase all products, supplies, equipment and materials required for the operation of the franchised business from suppliers who demonstrate, to the satisfaction of the Company, the ability to meet all the Company's standards and specifications for such items; who possess adequate capacity and facilities to supply the Franchisee's needs in the quantities, at the times and with the reliability requisite to an efficient operation; and who have been approved by the Company. Prior to purchasing any items from any supplier not previously approved by the Company, the Franchisee will submit to the Company a written request for approval of the supplier. It shall be a condition to such approval that the supplier furnish to the Company samples of the products to be delivered to the Franchisee for inspection, testing and approval. Any expenses incurred in product testing shall be paid by the Franchisee or by the supplier.

H. The Franchisee will maintain a representative inventory of products licensed by or manufactured for the Company as provided under the Company's inventory control system or otherwise in writing, and the Franchisee shall display such products prominently.

I. The Franchisee, its manager and employees, shall attend and successfully complete to the Company's satisfaction such training programs as the Company may require during the term of this Franchise Agreement, and the Franchisee shall attend the Company's national meeting if directed by the Company.

J. The Franchisee shall conduct training classes for the Franchisee's employees on sales and maintenance techniques as may be prescribed from time to time by the Company in the Policy & Procedures Manual or otherwise in writing.

K. The Franchisee shall keep the business open and in normal operation for such minimum hours and days as the Company may from time to time prescribe in the Policy & Procedures Manual or otherwise in writing; and the Franchisee shall refrain from using or suffering the use of the Designated Premises for any purpose or activity other than for the operation of the licensed business at any time without first obtaining the written consent of the Company. In no event shall the Franchisee keep the business premises open and in normal operation less than those days and hours provided in the lease or sublease appurtenant thereto.

L. The Franchisee shall operate the licensed business in conformity with the methods, standards and specifications of the Company as they are from time to time prescribed in the Policy & Procedures Manual or otherwise in writing. The Franchisee shall at all times maintain a Customer List in the Designated Premises.

M. The Franchisee shall handle all customer complaints and requests for adjustments in a manner that will not detract from the name and goodwill enjoyed by the Company, and shall consider and act promptly upon the recommendations of the Company with respect to the handling of customer complaints.

N. The Franchisee hereby grants to the Company and its agents the right to enter upon the Designated Premises at any time for the purpose of conducting inspections, and shall cooperate with the Company's representative in such inspections by rendering such assistance as may be requested; and, upon notice from the Company or its agents, shall immediately take such steps as may be necessary to correct deficiencies detected during any such inspections, including, without limitation, immediately desisting from the further use of any equipment, advertising materials, products or supplies that do not conform to the Company's then-current specifications, standards or requirements.

VI. EXCLUSIVE TERRITORY

The Company shall not open a Company-owned store nor grant to another party a The Great Frame Up franchise within a three (3) mile radius of the Designated Premises as identified in Exhibit A, for the term of this Franchise Agreement, so long as the Franchisee is not in material default of this Franchise Agreement, except that, should the Company acquire by purchase or otherwise any existing art or framing service store, the Company may operate or franchise that existing location under any one of its trade names or service marks.

VII. PROPRIETARY MARKS

A. The parties agree that this license to use the Company's Proprietary Marks applies only to their use in connection with the operation of the licensed business, and that all such business shall be conducted at the Designated Premises, and that the license includes only such Proprietary Marks as are now or may hereafter be designated by the Company in writing for use with the licensed System. No other Proprietary Marks of the Company now existing or yet to be developed or acquired by the Company are included or will be included in this license.

B. The Company is the exclusive owner of the Proprietary Marks and of the identification schemes, standards, specifications, operating procedures and other concepts embodied in the Company's System. Any unauthorized use of the System and the Proprietary Marks is and shall be deemed an infringement of the Company's rights and a breach of this Franchise Agreement. Except as expressly granted by this Franchise Agreement, the Franchisee acquires no right, title or interest in the System or in the Proprietary Marks. Any and all good will associated with the System or the Proprietary Marks shall inure exclusively to the Company's ownership and benefit. Upon the expiration and termination of this Franchise Agreement, the Franchisee shall not be entitled to any compensation attributable to any goodwill associated with the Franchisee's use of the System or of the Proprietary Marks.

C. The Franchisee shall promptly notify the Company of any attempt by any person or entity other than the Company or another of its licensees, to use the Proprietary Marks or any colorable variation thereof, or any other name, mark or symbol in which the Company claims a proprietary interest or which is confusingly similar thereto. The Franchisee will notify the Company promptly of any litigation involving the Proprietary Marks that is instituted by any person or firm against the Franchisee. The Company is not obligated to defend the Franchisee against the claims of any third party that the Franchisee's operation of the licensed business or the Franchise's use of the Proprietary Marks infringes any right of such third party, nor shall the Company be obligated to protect, indemnify or hold harmless the Franchisee from the consequences of any such claim or litigation. Notwithstanding the lack of an obligation on the part of the Company to assume responsibility or control of any such litigation, the Franchisee shall, immediately upon receiving notice thereof, tender such litigation to the Company to defend. Upon such tender, the Company will within ten (10) days of receipt thereof, notify the Franchisee of its election to defend and assume control of such litigation or to decline to defend or assume control of such litigation. In the event the Company elects to defend and control such litigation, the Company may, without the consent of the Franchisee, settle or compromise any such claims on such terms as the Company, in its sole discretion, may deem appropriate, provided that any monetary settlement entered into without the consent of the Franchisee will be paid by the Company. In the event the Company does not elect to defend and assume control of such litigation, the Franchisee will not settle or otherwise compromise any such claim on any terms which are not first approved by the Company.

D. The Franchisee shall not use the Proprietary Marks or any part or form thereof as part of the Franchisee's corporate or other legal name, or hold out or otherwise employ the Proprietary Marks to perform any activity, or to incur any obligation or indebtedness, in such a manner that could reasonably result in making the Company responsible or liable therefor. The Franchisee shall display upon the Designated Premises a prominently visible sign stating that the Franchisee's business is independently owned by the Franchisee (stating the name of the Franchisee) and that the business is operated pursuant to a Franchise Agreement with the Company.

E. In addition to all other obligations of the Franchisee with respect to the Proprietary Marks licensed herein, the Franchisee agrees:

1) To refrain from using any of the Proprietary Marks, or any part or form thereof, in conjunction with any other word or symbol without the Company's prior written consent.

2) To feature and use the Proprietary Marks solely in the manner prescribed by the Company and not use the Proprietary Marks on the Internet except as approved in writing by the Company.

3) To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of the Franchisee as the Company may direct in writing from time to time.

4) To use, promote and offer for sale under the Proprietary Marks only those products and services which meet the Company's prescribed standards and specifications, as they may be revised and amended by the Company from time to time.

5) To execute all documents requested by the Company or its counsel that are necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability, and to take no action that would jeopardize the validity or enforceability of such marks. In the event the Franchisee fails to execute and deliver such documents within ten (10) days from receipt of the request for such execution, the Franchisee hereby irrevocably appoints the Company as its attorney-in-fact to execute any and all such documents.

VIII. POLICY & PROCEDURES MANUAL

A. The Franchisee will conduct the business licensed under this Franchise Agreement in accordance with the Company's Policy & Procedures Manual, which the Franchisee acknowledges having received on loan from the Company for the Franchisee's use during the term of this Franchise Agreement. The Company shall, at all times, have the option to distribute electronically the Policy & Procedures Manual and any updates to the Manual.

B. The Franchisee will at all times treat the Manual, any other manuals created or approved for use in the operation of the licensed business herein, and the information contained therein as confidential, proprietary information of the Company disclosed to the Franchisee under an agreement of confidentiality, and shall use all reasonable efforts to maintain such information secret and confidential. The Franchisee will not at any time, without the Company's prior written consent, copy, duplicate, record or otherwise reproduce the Policy & Procedures Manual, or any part thereof, or any other operating instructions, standards or procedures disclosed to the Franchisee by the

Company. The Franchisee shall not allow any person who is an employee, agent or representative of the Franchisee to duplicate or copy any such material, and shall obligate such employees to abide by the terms of this provision and keep and maintain such information secret and confidential, and refrain from the use thereof in any other business or activity except that which is licensed herein.

C. The Policy & Procedures Manual shall at all times remain the sole property of the Company. The Company may from time to time revise the content of the Policy & Procedures Manual without the consent of the Franchisee, and the Franchisee will observe and comply with the Manual in its amended form. The Franchisee will at all times insure that its copy of the Policy & Procedures Manual is kept current and up to date. Additional or replacement portions of the manual shall immediately upon receipt thereof be inserted in the Franchisee's copy of the manual, and the replaced portions thereof shall immediately be destroyed. In the event of any dispute as to the contents of the manual, the terms of the master copy thereof maintained by the Company at its home office shall be controlling. In the event the Franchisee's copy of the Policy & Procedures Manual is damaged, lost or for other reasons becomes out of date or unusable due to the negligence of the Franchisee, the Franchisee shall promptly acquire a new manual from the Company and shall, upon such event, pay a manual replacement fee in the amount of $500.00.

IX. ADVERTISING

A. The Company may offer from time to time to provide, at the Franchisee's expense, approved local market advertising and promotional plans and materials, including, without limitation, newspaper ads, promotional brochures and sales aids.

B. The Franchisee shall submit to the Company for prior approval samples of all advertising and promotional plans and materials that the Franchisee desires to use that have not been prepared by the Company or previously approved by the Company. The Franchisee shall not use any advertising materials or any advertising or promotional messages in connection with the promotion of its business which has not previously been approved by the Company in writing.

C. The Company shall have the right, in its sole discretion, to establish an Advertising Fund for the System, and in the event such Advertising Fund is established, the Franchisee will make payments to the Advertising Fund as required by Article III.B. hereof, and the Advertising Fund shall be maintained and administered by the Company or the Company's designee as follows:

1) The Company shall direct all advertising programs with sole discretion over the creative concepts, materials and media used in such programs, including the placement of advertisements and the allocation of advertisements and advertising expenses. The Company is not obligated to spend monies from the Advertising Fund in any particular franchisee's market in proportion to the payments to the fund made by the franchisees in that market. The Company does not represent that it will spend any particular amount of advertising funds locally, regionally or nationally.

2) The Advertising Fund may be used to meet any and all costs of maintaining, administering, directing and preparing advertising, including, without limitation, marketing research, production costs, advertising agency fees and expenses and the costs of magazine or newspaper space or radio, television or other advertising time, and to pay for public relations activities and the production of sales and promotional brochures and other materials relating to the franchise System. All sums paid by the Franchisee to the Advertising Fund shall be separately accounted for by the Company. The Company's cost in administering the Advertising Fund and advertising programs

may also be charged to the Advertising Fund. The Advertising Fund may also be charged with the cost of enforcing the collection of Advertising Funds contributions from non-current franchisees.

3) The Company shall, on an annual basis, account for the operation of the Advertising Fund and prepare a financial statement evidencing such accounting. The annually prepared financial accounting for the operation of the Advertising Fund shall be provided, upon request in writing, to the Franchisee.

4) All payments by the Franchisee to the Advertising Fund shall be in addition to and not in lieu of required local advertising expenditures by the Franchisee.

D. Upon receipt of same from the Company, the Franchisee shall display, in the position in the store designated by the Company, business opportunity advertising materials published by the Company, whether relating to this franchise or to any other franchise of the Company.

E. The Company may from time to time initiate sales and marketing programs intended to increase sales, and the Franchisee will participate fully therein according to the terms of the programs as established by the Company. Such programs may include, by way of illustration and not of limitation, gift cards, catalog and other direct mail, telemarketing, interchange programs, combination selling programs, website programs, or advertising in the yellow pages with other franchisees. The initiation of any such program shall not obligate the Company to continue the program if, in the opinion of the Company, the program does not result in the intended sales growth or if for any other reason the Company decides to terminate any such program.

X. ACCOUNTING AND RECORDS

A. During the term of this Franchise Agreement and any renewal or extension hereof, and for an additional period of at least five (5) years from the date of their preparation, the Franchisee shall maintain and preserve original, complete and accurate books, records and accounts relating to the operation of the franchised business in the form and manner prescribed by the Company, and in accordance with generally accepted accounting principles applied on a basis consistent with past practice, which shall, without limitation, show all sales, separate and apart from any sales tax that may be imposed, profit and loss information on a monthly and annual basis and complete balance sheet information on a monthly and annual basis.

B. The Franchisee shall submit to the Company by Monday of each week, 2 o'clock p.m., Central Standard Time, by either facsimile, electronic mail, or other means as directed by the Company, the following information:

1) Complete reporting forms, as prescribed by the Company, which shall include an accurate statement showing the gross sales and other stated information of the Franchisee during the preceding calendar week and which shall be signed by the Franchisee.

2) Such other forms and reports as the Company may require in writing.

C. The Franchisee shall submit to the Company on the fifteenth (15th) day of each month a profit and loss statement for the previous calendar month of the franchised business. The monthly profit and loss statement shall be on a form as the Company may require in writing.

D. The Franchisee shall record all sales on a point-of-sale terminal or other register device, as approved by the Company, containing a device that will record accumulated sales and which cannot be turned back or reset or erased. The Franchisee's record of sales shall show register readings of totals at the beginning and ending of each day. The Company shall have the right to poll the Franchisee's terminals at any time for the purpose of obtaining information about the business activity of the franchised business.

E. The Company may inspect or may appoint a representative to inspect and make copies of the Franchisee's books, personal and business tax returns, records and accounts, and all other documents relating to the operation of the franchised business or relating to the Franchisee's compliance with any obligation of the Franchise Agreement, upon three (3) days notice. Such books, records, tax returns, accounts and other documents shall be made available by the Franchisee for inspection and copying at the Designated Premises on the date or dates set by the Company for inspection during normal business hours. If the Franchisee elects that the inspection and copying not take place on the Designated Premises, then the books, records, accounts and other documents requested shall be turned over to the Company's representative who may remove and inspect and copy them at a place of the representative's choosing and return them to the Franchisee upon the completion of the inspection and copying. Upon discovery of an understatement in the report of gross sales by one percent (1%) or more, the Franchisee shall reimburse the Company for any and all expenses associated with the inspection or copying of the Franchisees books, records and other documents, including but not limited to, accounting and legal fees, interest on the unreported sales at the highest rate permitted by law from date said payment was due until the complete payment thereof in addition to the additional royalty due. In the event the Company's inspection reveals that the Franchisee's gross sales are understated by three percent (3%) or more, the Company shall have the right, in addition to the above and any other remedies available to the Company, to terminate this Franchise Agreement forthwith and without notice to the Franchisee or granting to the Franchisee any opportunity to cure.

F. The Franchisee shall submit to the Company a detailed year-end Balance Sheet and a detailed year-end Profit And Loss Statement, in accordance with the Company's prescribed format, within one hundred and twenty (120) days from the end of the Franchisee's fiscal or calendar year. Such Balance Sheet and Profit And Loss Statement shall be of such format, and shall include such information relating to income and expenses, as the Company may specify, shall be in accordance with generally accepted accounting principles applied on a basis consistent with past practice, and shall be signed by the Franchisee whose signature shall constitute a representation and warranty that the financial information fairly states the financial condition of the Franchisee at the date of the Balance Sheet and the results of operations for the period then ending. If the Company has reason to believe such financial statements are not correct and/or are not prepared in the required format, the Company may require that an additional examination be conducted by a certified public accountant, which examination may, at the Company's option, be a review, an audit or such other type of examination as the Company may deem appropriate. If such examination or other review reveals that the financial statements are incorrect or that they were not prepared in accordance with generally accepted accounting principles applied on a basis consistent with past practice, the Franchisee shall pay for all costs thereby incurred.

G. The Franchisee shall at his own expense, use such bookkeeping and recording forms, stationary, business cards, sales slips, invoices, purchase order forms, reprints and other miscellaneous operating forms as the Company may specify in the Policy & Procedures Manual or otherwise in writing.

XI. INSURANCE AND INDEMNIFICATION

A. Prior to the taking of possession of the Designated Premises by the Franchisee, and prior to the commencement of initial merchandising of the premises, whether the store is open or not, the Franchisee shall procure, at its expense, and maintain in full force and effect thenceforth throughout the entire term of this Franchise Agreement including any extensions or renewals thereof, insurance coverage with an insurer acceptable to the Company, protecting the Franchisee, the Company, including its officers, directors and employees (as additional named insured parties), in the kinds and amounts of coverage specified in the then-current Policy & Procedures Manual or as otherwise specified by the Company in writing. The Franchisee shall, prior to taking possession of the Designated Premises or commencement of merchandising of such premises, whether the store is open or not, provide certificates of insurance to the Company evidencing that the Franchisee has complied with this provision. Such certificates of insurance shall state that such insurance is in full force and effect and that the policies may not be cancelled or materially altered without at least thirty (30) days prior written notice to the Company.

B. Should the Franchisee, for any reason, fail to procure and maintain such insurance coverage, the Company shall have the right and authority (without having any obligation to do so) immediately to procure such insurance coverage and to charge the same to the Franchisee who shall pay the Company such charges upon demand plus a reasonable fee for the expenses incurred by the Company in connection with procuring such insurance.

C. The fact that the Company may maintain its own insurance against any risk shall not limit or in any way mitigate the obligation of the Franchisee to provide the insurance coverage herein required.

D. Notwithstanding any provision of this Franchise Agreement, of the Policy & Procedures Manual or of any other insurance requirement issued by the Company, the Franchisee shall carry, at a minimum, insurance covering risks and at the policy limits specified in the lease or sublease appurtenant to the business premises.

E. In addition to the insurance which the Franchisee is obligated to carry hereunder, the Franchisee covenants to hold harmless and to indemnify the Company, including its officers, directors and employees, from and against any loss, claim or injury resulting from the conduct of the Franchisee's business, the use or occupancy of the Designated Premises or any other act or omission of the Franchisee.

XII. TRANSFER OR SALE OF INTEREST

A. This Franchise Agreement is the property of the Company and shall inure to the benefit of the successors and assigns of the Company. The Company shall have the right, without the consent of the Franchisee, to transfer or assign all or any part of its interest herein to any person, firm or other entity.

B. The Franchisee shall not transfer, sell, or assign fifteen percent (15%) or more of the assets used in the Franchisee's business licensed hereunder without the written consent of the Company.

C. The rights and duties of the Franchisee as set forth in this Franchise Agreement, and the franchise and license herein granted, are personal to the Franchisee, and the Company has agreed to enter into this contract with the Franchisee in reliance upon the Franchisee's personal skill and financial ability. Accordingly, neither the Franchisee nor any successor of the Franchisee, either immediate or remote, to any part of the Franchisee's interest in this license may sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this license or in the franchise granted hereby. Any purported assignment or transfer, whether by operation of law or otherwise, or encumbrance of all or any part of the Franchisee's rights, or of all or any part of the Franchisee's company under this Franchise Agreement, or of all or any part of the operating control of the business of the Franchisee, shall be null and void and shall constitute a material breach of this Franchise Agreement, for which breach the Company may then terminate this Franchise Agreement without notice or opportunity to cure, unless such assignment, transfer or encumbrance has the prior written consent of the Company.

D. If the Franchisee desires to sell or transfer all or any part of his interest in this license and franchise or all or any part of the company which operates the franchised business, to any vendee or transferee, the Franchisee shall first obtain the written consent of the Company to such transaction, which consent shall not be unreasonably withheld or delayed, but will be conditioned upon the satisfaction of the following conditions:

1) All obligations owed to the Company and all other outstanding obligations relating to the franchised business shall be fully paid and satisfied.

2) Unless prohibited by the law of the state where the franchise is located, the Franchisee shall have executed a general release under seal, in a form satisfactory to the Company of any and all claims against the Company including its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and any other matters incident to the termination of this Franchise Agreement or to the transfer of the Franchisee's interest herein or to the transfer of the Franchisee's ownership of all or any part of the business which operates this franchise. If a general release is prohibited, the Franchisee shall give the maximum release allowed by law.

3) The transferee shall have satisfied the Company that it meets the Company's management, business and financial standards and otherwise possesses the character and capabilities, including business reputation and credit rating, as the Company may require to demonstrate ability to conduct the franchised business.

4) The transferee and, at the Company's option, all persons owning any interest in the transferee, shall execute the then-current Franchise Agreement of the Company for new franchisees which may be substantially different from this Franchise Agreement, including, without limitation, differences in royalties and advertising payment rates, territorial protection and other material provisions. The transferee shall agree to deposit ten thousand dollars ($10,000.00) into the Marketing Fund which the Marketing Fund shall spend on marketing initiatives for the Designated Premises during the first six (6) months of the transferee's ownership of the franchise.

5) The transferee shall have executed a general release under seal, in a form satisfactory to the Company of any and all claims against the Company and its officers, directors, shareholders and employees, in their corporate and individual capacities, with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by the selling Franchisee.

6) The Franchisee shall have provided the Company with a complete copy of all contracts and agreements and related documentation between the Franchisee and the transferee relating to the sale or transfer of the franchise.

7) The Franchisee shall have paid to the Company a transfer fee in an amount equal to twenty-five percent (25%) of the then-current initial franchise fee.

8) In the event the Franchisee has the right to take back from the transferee the Designated Premises, and the Franchisee does take back the Designated Premises from the transferee after the transfer of the franchise, the Franchisee shall assume all of the transferee's obligations to the Company under the Franchise Agreement between the Company and the transferee.

E. If the Franchisee wishes to transfer the Franchise Agreement or any interest therein to a corporation which shall be entirely owned by the Franchisee, which corporation is being formed for the financial planning, tax or other convenience of the Franchisee, the Company's consent to such transfer shall be conditioned upon the following requirements:

1) The corporate Franchisee shall be newly organized and its charter shall provide that its activities are confined exclusively to the operation of the franchised business.

2) The Franchisee shall retain total ownership of the outstanding stock or other capital interest in the transferee corporation, and the Franchisee shall act as the principal officer or officers and directors thereof.

3) All obligations of the Franchisee to the Company and to the landlord shall be fully paid and satisfied prior to the Company's consent.

4) The corporate assignee shall enter into a written agreement with the Company expressly assuming the obligations of this Franchise Agreement and all other agreements relating to the operation of this business or the use and occupancy of the Designated Premises. If the consent of any other contracting party to any such agreement be required, the Franchisee shall have obtained such written consent and provided the same to the Company prior to the Company's consent.

5) All owners of the stock or other ownership interest of the transferee corporation shall enter into an agreement with the Company, jointly and severally, guaranteeing the full payment of the corporation's obligations to the Company and the performance by the corporation of all the obligations of the Franchise Agreement and the lease or sublease agreement appurtenant to the Designated Premises.

6) Each stock certificate or other ownership interest certificate of the corporate Franchisee shall have conspicuously endorsed upon the face thereof a statement in a form satisfactory to the Company that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Franchise Agreement.

7) Copies of the transferee corporation's Articles of Incorporation, Bylaws, and other governing regulations or documents, including resolutions of the Board of Directors authorizing entry into this Franchise Agreement, shall be promptly furnished to the Company. Any amendment to any such documents shall also be furnished to the Company immediately upon adoption.

8) The term of the transferred franchise shall be the unexpired term of this Franchise Agreement.

9) The Company's consent to a transfer of any interest in this Franchise Agreement or of any ownership interest in the franchised business shall not constitute a waiver of any claims the Company may have against the transferor or the transferee, nor shall it be deemed a waiver of the Company's right to demand compliance with the terms of this Franchise Agreement.

F. The Franchisee shall not, without the prior written consent of the Company, enter into any agreement to borrow money ancillary to which the lender acquires or purports to acquire the right, upon default by the borrower, to assume ownership or control of, or to execute upon, any franchise rights or any ownership interest in this Franchise Agreement. This franchise and this Franchise Agreement may not be used as collateral for borrowing without the prior written consent of the Company. The Franchisee, in connection with any borrowing, will provide to the lender a copy of this Franchise Agreement and call the lender's attention specifically to this provision.

G. The Company may, without liability of any kind or nature whatsoever to the Franchisee, make available for inspection by any intended transferee of the Franchisee all or any part of the Company's records relating to this Franchise Agreement, the franchised business, or to the history of the relationship of the parties hereto. The Franchisee hereby specifically consents to such disclosure by the Company and absolutely releases and agrees to hold the Company harmless from and against any claim, loss or injury resulting from an inspection of Company records relating to this franchise by any intended transferee identified by the Franchisee.

H. Any intended transferee must, prior to the Company's consent to transfer, be accepted by the landlord in writing as a substitute tenant for the Designated Premises. The Company shall not be obligated without its consent to continue as sublessor to any transferee of this franchise. The Company may refuse to consent to the transfer of this franchise or of any interest herein to any transferee who is not able to obtain acceptance by the landlord as the landlord's direct tenant.

I. In the event of death or permanent incapacity of any person with an ownership interest in this Franchise Agreement, the decedent's or incapacitated person's rights, title and interest in and under this Franchise Agreement may pass by Will, Intestate Succession or Conservatorship, as appropriate, provided (1) the licensed business location is operated in accordance with the provisions of this Franchise Agreement during any period of probate, administration or guardianship, and (2) any transfer by Will, Intestate Succession or other legal process of the decedent's interest herein by the executor, administrator, guardian or personal representative of the decedent's estate shall be considered to be a transfer requiring compliance with the conditions set forth in this Article XII.

1) Should the heirs, legatees or other person holding an interest subject to the restrictions of this paragraph be unable, within thirty (30) days of such death or incapacity, to obtain the Company's approval of a transfer of any interest required hereby, such executor, administrator, guardian or other personal representative shall within six (6) months from the date of notice of the Company's disapproval sell such interest to a transferee acceptable to the Company. The failure to accomplish such sales shall constitute a breach of this Franchise Agreement giving the Company a right to terminate upon thirty (30) days notice.

J. Any party holding any interest in this Franchise Agreement or in the franchised business who desires to accept any bonafide offer to purchase that interest from a third party, shall notify the Company in writing of such offer, including a complete copy of the proposed agreement of sale and all ancillary agreements and documents, and the Company shall then have the first right and option, exercisable within thirty (30) days from receipt of such documentation, to send written notice to the Franchisee that the Company or its nominee intends to purchase the Franchisee's interest on the same terms and conditions as those offered by the third party, except that the Company shall not be obligated to purchase assets which are not directly related to the operation of the franchised business. Such non-related assets shall be assigned a value by the Company and shall be deducted from the Company's obligation to pay the purchase price offered by the third party. In the event of a dispute concerning the identification or value of non-related assets, the Company and the Franchisee shall proceed with the Company's right to acquire the Franchisee's interest at the Company's price, and the dispute shall not delay the closing of that transaction. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by the Company or its nominee as in the case of an initial offer. The failure of the Company to exercise such right or option of first refusal shall not constitute a waiver of any other provision of this Franchise Agreement, including all of the requirements of this Article XII with respect to any proposed transfer. During the term of this Franchise Agreement or any renewal hereof, the Designated Premises, including the Franchisee's interest in any leasehold thereof, may not be sold or transferred or relet or sublet by the Franchisee except to an approved transferee of this franchise who shall continue to operate the premises as a THE GREAT FRAME UP retail store in accordance with the terms of an effective Franchise Agreement consented to by the Company.

XIII. TERMINATION

A. The Franchisee shall be in default of his obligations under this Franchise Agreement and all rights granted herein shall automatically terminate without notice to the Franchisee if the Franchisee shall become insolvent or shall make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by the Franchisee, or such a petition is filed against or consented to by the Franchisee, or if the Franchisee is adjudicated as bankrupt or insolvent, or if a bill in equity or other proceeding for the appointment of a receiver of the Franchisee or other custodian for the Franchisee's business or assets is filed or consented to by the Franchisee, or if a receiver or other custodian (permanent or temporary) of the Franchisee's assets or property, or any part thereof, is appointed by a court of competent jurisdiction, or if proceedings for a composition with creditors under any state or federal law should be instituted by or against the Franchisee, or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed), or if execution is levied against the Franchisee's business or property, or suit to foreclose any lien against the assets of the licensed business is instituted against the Franchisee and not dismissed within thirty (30) days, or if the assets of the licensed business are sold after levy thereupon by any means.

B. The Franchisee shall be deemed in default, and the Company may, at its option, terminate this Franchise Agreement and all rights granted hereunder at any time during the term hereof, without affording the Franchisee any opportunity to cure the default, effective immediately upon the Franchisee's receipt of a Notice of Termination upon the occurrence of any of the following events:

1) If the Franchisee ceases to operate the business licensed by this Franchise Agreement, or otherwise abandons the business or forfeits the legal right to do or transact business at the Designated Premises.

2) If the Franchisee is convicted of a felony, any crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the opinion of the Company, to adversely affect the name or goodwill of the System, the Proprietary Marks or the Company's rights therein.

3) If the Franchisee purports to transfer any rights or obligations arising under this Franchise Agreement to any third party without the Company's prior written consent, including, but not limited to, any unapproved transfer by operation of law.

4) If, upon death or permanent incapacity of any individual Franchisee, or a person with a direct or controlling interest in the Franchisee if the Franchisee is a partnership or corporation, his legal representative fails to effect a transfer of the dead or disabled party's interest in this Franchise Agreement and franchise with the Company's prior consent within the time required by this Franchise Agreement.

5) If the Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristic of the System, or otherwise materially impairs the goodwill associated therewith or the Company's rights therein, including failure to comply with the in-term covenants contained in Article XV hereof.

6) If the Franchisee understates gross sales by three percent (3%) or more in any sales report or if the Franchisee falsely reports information required to be reported to the Franchisor.

7) If the Designated Premises are used for any unlawful or unpermitted purpose.

C. Except as provided elsewhere to the contrary in this Agreement, and except as provided specifically in Article XIII of this Franchise Agreement, the Franchisee shall have thirty (30) calendar days after receipt of written Notice of Default from the Company within which to remedy any default hereunder. If any such default is not cured within such time, this license and all rights granted herein may, at the option of the Company, be terminated without further requirement of notice or action on the part of the Company. The Company's sending a Notice of Termination to the Franchisee shall not constitute modification of this provision. The Franchisee shall be in default hereunder for any failure to comply substantially with any of the terms of this Franchise Agreement, or to carry out the terms hereof in good faith. Such defaults shall include, but shall not be limited to the occurrence of any of the following illustrative events:

1) If the Franchisee fails, refuses or neglects promptly to pay any amounts owed to the Company on the date when such payment is due, or fails to pay on any notes or loans for which the inventory or fixtures serve as collateral.

2) If the Franchisee fails, refuses or neglects to submit to the Company any reports required by this Franchise Agreement.

3) If the Franchisee fails, refuses or neglects to obtain prior Company written approval of any matter or transaction required by this Franchise Agreement.

4) If the Franchisee or the Franchisee's manager fails to successfully complete any required training programs to the satisfaction of the Company.

5) If the Franchisee fails to maintain or operate the franchise in accordance with the specifications contained in the Policy & Procedures Manual, or in a clean, orderly and safe manner.

D. If the law of the state where the Franchise is located requires with respect to any matter that the notice period for termination or for cure of default be longer than that which is provided in this Article XIII, then this Article XIII is hereby amended to the minimum extent required to comply with such law.

E. Any default by the Franchisee with respect to his obligations under this Franchise Agreement shall also simultaneously constitute a default by the Franchisee of each and every other agreement between the Franchisee and the Company, regardless of whether such other agreements may in fact be properly and fully performed by the Franchisee. Any default by the Franchisee in any other agreement between the Franchisee and the Company shall automatically and simultaneously constitute a default by the Franchisee under this Franchise Agreement notwithstanding that at such time the Franchisee may be fully and promptly performing his obligations hereunder. All agreements between the Franchisee and the Company are cross-defaulting agreements for all purposes.

XIV. OBLIGATIONS UPON TERMINATION

A. Upon termination or expiration of this Franchise Agreement, the Franchisee shall immediately cease to operate the business licensed hereunder, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former Franchisee of the Company.

B. Upon termination or expiration of this Franchise Agreement, the Franchisee shall immediately cease to use, by advertising or any other manner whatsoever, the name THE GREAT FRAME UP, or any other Proprietary Marks of the Company or any mark or name similar thereto, or any aspect of the trade dress of THE GREAT FRAME UP franchise System. Upon expiration or termination of this Franchise Agreement the Franchisee shall cease using any methods, procedures, techniques, systems or other material of any kind or nature whatsoever which at the time of the termination or expiration of this Franchise Agreement is a trade secret of the Company.

C. Upon expiration or termination of this Franchise Agreement, the Franchisee shall immediately surrender to the Company all Customer Lists, manuals, records, files, instructions, correspondence and any and all other materials relating to the operation of the licensed business in the Franchisee's possession or control, and all copies thereof, all of which are hereby acknowledged by the Franchisee to be the Company's property, and shall retain no copy or record of the foregoing, accepting only the Franchisee's copy of this Franchise Agreement and of any correspondence between the parties, and any other documents which the Franchisee reasonably needs to comply with any provision of law. Upon the termination or expiration of this Franchise Agreement the Franchisee shall not remove from the Designated Premises any inventory or equipment which is the subject of any security interest of the Company or of any other party. Upon the expiration or termination of this

Franchise Agreement, the Franchisee shall not remove from the Designated Premises any inventory or equipment so long as there remain obligations of the Franchisee to the Company. In such event, the Franchisee will, upon the expiration or termination of this Franchise Agreement, present to the Company a statement of inventory and equipment including the value thereof. The value of any inventory of good and salable merchandise or equipment shall in no event exceed thirty-six percent (36%) of the then suggested retail price of good and salable inventory or the lesser of fair market value or book value of equipment on the date of expiration or termination. To the extent that part of the merchandise inventory shall not be listed on a suggested retail price list, the Company shall have the option to take such merchandise at the fair wholesale market value thereof or to decline to take the same. Such inventory and equipment shall, to the extent that it does not infringe upon the security rights of others, be credited to the obligations of the Franchisee to the Company. If the unencumbered inventory and equipment exceeds the amount owed by the Franchisee to the Company on the date of expiration or termination, the Company may select that inventory and equipment which it wishes to apply to the outstanding debt of the Franchisee to the Company and return the balance of unencumbered inventory and equipment to the Franchisee. Upon expiration or termination of this Agreement, the Franchisee shall forthwith surrender possession of the Designated Premises to the Company which may, but shall not be obligated to, assume possession, occupancy and control thereof. The assumption of possession, occupancy or control of the Designated Premises by the Company shall not relieve the Franchisee of any obligations which may have accrued to the date of assumption of control by the Company but which have been unpaid by the Franchisee. All such obligations shall remain the obligations of the Franchisee. If the Company elects not to assume possession or control of the Designated Premises, the Franchisee shall, at the Franchisee's expense, make such modifications or alterations thereto immediately upon termination or expiration of this Franchise Agreement as the Company may demand to prevent the operation of any business therein by the Franchisee being confused with or thought of by the public as a business affiliated with the Company for any purpose.

D. The Franchisee hereby irrevocably appoints the Company as the agent and attorney-in-fact of the Franchisee, effective immediately upon the termination or expiration of this Agreement, to perfect the transfer and assignment to the Company of each telephone number and telephone directory listing then or theretofore used in connection with the operation of the franchised business. The Franchisee hereby assigns to the Company all the Franchisee's right, title and interest to any such telephone number or telephone directory listing. This appointment of the Company as the Franchisee's agent and attorney-in-fact shall be deemed a power coupled with an interest for all purposes. The transfer of telephone numbers and telephone directory listing to the Company shall not relieve the Franchisee of any obligation with respect thereto which arose or accrued prior to the date of such transfer. The Company shall not be obligated to assume any such prior obligation as a condition of the transfer of telephone numbers or of directory listings.

E. Immediately upon termination or expiration of this Franchise Agreement, the Franchisee shall pay all sums owing to the Company, its subsidiaries or affiliates and to suppliers and vendors, including the outstanding principal amounts and accrued interest on any notes or evidences of indebtedness of the Franchisee payable to the order of the Company, and shall pay to the Company an amount equal to the value of the unredeemed gift card balances sold or issued by the Franchisee. The payment to the Company of all principal amounts owing shall be accelerated on all debt items including debt items which theretofore had been the subject of payment schedules, even if payment was then being made promptly according to the agreed schedule. All debts of the Franchisee to the Company, regardless of kind, amount, or method of payment agreed upon shall accelerate and be due and payable in full upon the expiration or termination of this Franchise Agreement. The Franchisee hereby grants to the Company a lien and security interest against any and all personal property, equipment and fixtures owned by the Franchisee and used in connection with the licensed business as security for the payment of all such obligations.

F. Upon the expiration or termination of this Franchise Agreement, if the Franchisee shall fail or refuse to perform any obligation of the Franchisee incident to termination or expiration hereof and the Company shall be put to enforcing such obligations, the Franchisee shall pay all damages, costs, interest, and expense of suit, including actual attorney fees and expenses related to prosecution of collection. Any security interest granted to the Company by the Franchisee herein shall remain in full force and effect until all such obligations are fully paid including the cost of enforcement thereof.

G. Upon the expiration or termination of this Franchise Agreement, the Company shall have, in addition to any other rights or remedies available to it, the right (but not the obligation), without liability for trespass, tort, criminal act, or otherwise, to:

1) Enter and inspect and take control of the Designated Premises in which the business licensed under this Franchise Agreement was or is being operated.

2) Remove from the Designated Premises all articles, equipment, supplies and other materials of any kind or nature whatsoever bearing the proprietary marks of the Company or which are to be removed to prevent the Designated Premises from appearing thereafter to be a business premises affiliated with the Company or the Company's franchise System. The cost of all such removal and modification shall be borne by the Franchisee.

H. Upon the expiration or termination of this Franchise Agreement, the Franchisee shall immediately begin compliance with the post-term covenants contained in Article XV.

I. The Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article XIV will cause the Company irreparable injury, and the Franchisee hereby consents to the entry of an ex parte order by any court of competent jurisdiction for injunctive or other legal or equitable relief, including an order authorizing the Company, its designee or agents, to enter the Designated Premises and to take such action as may be necessary or appropriate to protect the Company's rights hereunder.

J. Upon the expiration or termination of this Franchise Agreement, the Company shall have the option, but not the obligation, to be exercised upon thirty (30) days written notice, to acquire by purchase any or all of the Franchisee's leasehold improvements, fixtures and equipment at the lower of fair market value or the Franchisee's then-book value, and the Franchisee's good and salable merchandise inventory at a price not to exceed thirty-six percent (36%) of the then suggested retail price thereof. As to good and salable merchandise or inventory not listed on the suggested retail price list, the Company shall have the right to take such merchandise at the fair wholesale market value or to reject and decline to take such merchandise. Any payment to the Franchisee by the Company on account of the Company's exercise of its rights under this paragraph shall be net of any unpaid obligations of the Franchisee to the Company.

K. Upon the expiration or termination of this Franchise Agreement the Franchisee shall, at the request of the Company, promptly execute assignments or other transfer documentation in the form requested by the Company to perfect the transfer of the Franchisee's interest, whatever that interest may be, in or the right to use and occupy the Designated Premises to the Company or to any designee of the Company. The Franchisee hereby irrevocably appoints the Company as the

Franchisee's agent and attorney-in-fact to execute any such documentation upon the failure of the Franchisee to execute the same in accordance with the Company's request.

L. Immediately upon the expiration or termination of this Franchise Agreement, the Franchisee shall cancel all assumed names, corporate names, business names or styles, or other registrations using any name, style, symbol or mark included within the Proprietary Marks or similar thereto which are owned or which have been taken out or filed by the Franchisee. The Franchisee hereby irrevocably appoints the Company as its agent and attorney-in-fact to obtain all such cancellations.

XV. COVENANTS

A. Except as otherwise approved in writing by the Company, during the term of this Agreement and any extension or renewal thereof, the Franchisee and his designated manager shall devote full time, energy and effort to the management and operation of all THE GREAT FRAME UP businesses licensed to the Franchisee.

B. The Franchisee covenants that, except as otherwise approved in writing by the Company, during the term of this Franchise Agreement, neither the Franchisee nor any person owning an interest in the business of at least five percent (5%) of the equity, whether stated as partnership units, shares or otherwise, shall:

1) Divert or attempt to divert any business of, or any customer of, the business licensed hereunder to any other business, by direct or indirect inducement or otherwise.

2) Employ or seek to employ any person who is employed by the Company, any affiliated company, or by any Franchisee of the Company, or to otherwise directly or indirectly induce such person to leave such employment.

3) Either directly or indirectly, or on behalf of or in conjunction with any other person, firm or company, own, maintain, engage in, be employed by, or have any interest in any other retail, or any wholesale business, which deals in frames, framing services, pictures, prints or photographs or any other related or similar products.

C. The Franchisee covenants that, except as otherwise approved in writing by the Company, for a period of two (2) years after expiration or termination of this Franchise Agreement, regardless of the cause for termination, neither the Franchisee nor any person owning five percent (5%) or more of the equity interest of the franchise, regardless of whether such interest be expressed in partnership units, shares of stock or otherwise, shall:

1) Divert or attempt to divert any business of, or any customers of, the business licensed hereunder to any other business by direct or indirect inducement or otherwise.

2) Employ or seek to employ any person who is employed by the Company, any affiliated company, or by any Franchisee of the Company, or to otherwise directly or indirectly induce such person to leave such employment.

3) Either directly or indirectly, or on behalf of or in conjunction with any other person, firm or company, own, be employed by, maintain, engage in, or have any interest in any other retail, or any wholesale business which deals in frames, framing services,

pictures, prints or photographs or any other related or similar products, within a ten mile radius of the Designated Premises.

4) Either directly or indirectly, or on behalf of or in conjunction with any other person, firm or company, own, be employed by, maintain, engage in, or have any interest in any other retail, or any wholesale business which deals in frames, framing services, pictures, prints or photographs or any other related or similar products, within a ten mile radius of the premises or location of any other The Great Frame Up store in existence on the date of termination or expiration hereof.

D. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Franchise Agreement, and shall be governed by the law of the State in which the Designated Premises are located. If under the law of any state or jurisdiction which shall apply to this Article XV, the covenants contained in this Article XV shall be unreasonable or unenforceable, then this Article XV is hereby amended to provide for limitations upon post-termination or post-expiration competition by the Franchisee to the maximum extent provided and permitted by such law.

E. During the term of this Franchise Agreement and any extension or renewals hereof, the Company shall have the right, in its sole discretion, to reduce the scope of any obligation of the Franchisee provided for in this Franchise Agreement by unilateral action without the Franchisee's consent. Such reduction shall be effective immediately upon receipt by the Franchisee of written notice thereof and shall constitute an effective amendment of this Franchise Agreement.

F. The post-termination or post-expiration covenants contained in this Article XV shall be tolled and shall not run during any period of noncompliance therewith by the Franchisee. The time period of each such covenant shall be extended to include all periods of noncompliance therewith by the Franchisee.

XVI. TAXES, PERMITS AND INDEBTEDNESS

A. The Franchisee shall promptly pay when due all taxes and assessments levied or assessed, including without limitation, unemployment and sales taxes, and shall promptly pay when due all obligations by the Franchisee to the Company.

B. The Franchisee shall, prior to the commencement of business hereunder, obtain all permits, certificates or licenses necessary for the full and proper conduct of the business to be operated pursuant to this Franchise Agreement, including, without limitation, registrations of names and fictitious names and tax permits.

C. The Franchisee shall notify the Company in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other government instrumentality which may affect the operation or financial condition of the licensed business or the rights of the Company or of the Franchisee hereunder.

XVII. INDEPENDENT CONTRACTOR

A. This Franchise Agreement does not create any fiduciary relationship or any relationship of Agency or representation between the Franchisee and the Company. The Franchisee is and shall remain for all purposes an independent contractor, and nothing in this Franchise Agreement shall constitute the Franchisee as an agent, representative, subsidiary, joint venturer, partner, employee or servant of the Company for any purpose whatsoever. The Franchisee shall have the sole responsibility for the hiring, management, and discharge of all employees at the Designated Premises, and the Company shall have no control over, or management responsibility for, the Franchisee's employees.

B. The Franchisee is not authorized to make, and the Franchisee shall not make any contract agreement, warranty or representation on behalf of the Company or as the Company's agent or representative, or incur any debt or other obligation in the name of the Company or which may in the future be asserted against the Company. The Company does not, except as expressly done by the Company in writing, assume liability for, or be deemed liable hereunder as the result of any action of the Franchisee or by reason of any act or omission of the Franchisee in the conduct of the licensed business or otherwise, or any claim or judgment arising therefrom.

XVIII. WAIVER

A. No failure of the Company to exercise any power reserved to it by this Franchise Agreement, or to insist upon strict compliance by the Franchisee with any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver by the Company of its right to demand exact and full compliance with all of the terms and conditions hereof. Should the Company waive any particular default by the Franchisee, such waiver shall not affect or impair the Company's rights with respect to any subsequent default by the Franchisee of the same, similar or different nature, nor shall any delay, forbearance or omission of the Company to exercise any power or right arising out of any breach or default by its other franchisees of their Franchise Agreements or by the Franchisee of any of the terms, provisions or covenants of this Agreement, affect or impair the Company's right to exercise that power or right in the future. Notwithstanding any prior actual waiver or forbearance on the part of the Company, the Company may declare any breach or default hereunder and exercise its rights as herein provided. Should the Company agree to accept any payments due it hereunder that have not been timely made, in whole or in part, such acceptance shall not be deemed to be a waiver of any prior or future default or breach by the Franchisee of this Agreement.

XIX. NOTICES

Except as modified by either party in writing, all notices required to be given hereunder shall be in writing and shall be deemed to have been given when sent by registered or certified mail and addressed to the Company at 221 First Executive Avenue, St. Peters, Missouri 63376, with a copy to 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098, and to the Franchisee at the address listed on Exhibit "A."

XX. ENTIRE AGREEMENT

This Franchise Agreement, the documents referred to herein, and the Exhibits attached hereto, if any, constitute the entire, full and complete Agreement between the Company and the Franchisee concerning the subject matter hereof. This Franchise Agreement supersedes all prior Agreements between the parties. **THE FRANCHISEE ACKNOWLEDGES THAT THE FRANCHISEE'S SIGNATURE TO THIS FRANCHISE AGREEMENT HAS NOT BEEN INDUCED BY ANY REPRESENTATION INCONSISTENT WITH THE TERMS OF THIS FRANCHISE AGREEMENT OR INCONSISTENT WITH THE FRANCHISE DISCLOSURE DOCUMENT GIVEN TO THE FRANCHISEE BY THE COMPANY IN CONNECTION HEREWITH. THIS FRANCHISE AGREEMENT MAY ONLY BE AMENDED BY A WRITTEN INSTRUMENT SIGNED BY ALL THE PARTIES.** Nothing in this paragraph or this Agreement or in any related agreement shall disclaim or require the Franchisee to waive reliance on the Franchise Disclosure and its Exhibits that was given to the Franchisee by the Company.

XXI. SEVERABILITY AND CONSTRUCTION

A. Except as expressly provided to the contrary herein, each section, part, term and provision of this Franchise Agreement shall be considered severable. If for any reason, any section, part, term or provision herein is determined to be invalid or contrary to, or in conflict with any existing or future law or regulation by a court or agency having competent jurisdiction, such determination shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and provisions of this Franchise Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and to bind the parties hereto. Any sections, parts, terms or provisions hereof determined to be invalid shall be deemed deleted from this Franchise Agreement.

B. Notwithstanding anything to the contrary herein, this Franchise Agreement is not intended, nor shall it be deemed, to confer upon any person or legal entity other than the Company and the Franchisee and such of their respective successors and assigns as may be contemplated hereby, any right, remedy or interest in or to the franchise, the Proprietary Marks or this Franchise Agreement.

C. Except as otherwise expressly provided, all references to Franchisee in this Agreement shall be deemed to include, personally and individually, all officers, directors and shareholders, if the Franchisee is a corporation, or all general partners, if the Franchisee is a partnership; all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by the Franchisee shall be deemed jointly and severally undertaken by them and by all of the signatories hereto on behalf of the Franchisee.

D. This Franchise Agreement may be executed in duplicate, and each copy so executed shall be deemed an original.

E. All references herein to gender and number shall be construed to include such other gender and number as the context may require.

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

XXII. APPLICABLE LAW

A. **THIS FRANCHISE AGREEMENT TAKES EFFECT UPON ITS ACCEPTANCE AND EXECUTION BY THE COMPANY IN THE STATE OF TEXAS, AND, EXCEPT FOR THE COVENANTS CONTAINED IN ARTICLE XV OF THIS FRANCHISE AGREEMENT, WHICH ARE GOVERNED BY THE LAW OF THE JURISDICTION IN WHICH THE FRANCHISED LOCATION IS SITUATED, SHALL BE INTERPRETED, GOVERNED AND CONSTRUED PURSUANT TO THE LAWS OF THE STATE OF TEXAS, WHICH LAWS SHALL PREVAIL IN THE EVENT OF ANY CONFLICT OF LAW.**

B. No right or remedy conferred upon or reserved to the Company or to the Franchisee by this Franchise Agreement is intended to be, nor shall such be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each such right or remedy shall be cumulative of every other right or remedy.

C. If a claim for amounts owed by the Franchisee to the Company is asserted in any legal proceeding before a court of competent jurisdiction, and the Company prevails on such claim, it shall be entitled to recover, in addition to such amount, its actual attorney fees and other expenses of suit.

XXIII. FORUM SELECTION

ANY LITIGATION BETWEEN THE PARTIES, OR BETWEEN THE FRANCHISEE AND THE COMPANY'S OFFICERS AND DIRECTORS, SHALL ONLY BE INSTITUTED IN THE HARRIS COUNTY, TEXAS, DISTRICT COURT OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION. THE PARTIES AGREE THAT THIS FRANCHISE AGREEMENT WAS ENTERED INTO IN HOUSTON, TEXAS AND THAT SUBSTANTIAL PERFORMANCE OF ALL OBLIGATIONS HEREUNDER WAS RENDERED IN HOUSTON, TEXAS AND THAT THERE IS A REGULAR STREAM OF BUSINESS ACTIVITY BETWEEN THE FRANCHISEE AND THE COMPANY FROM AND INTO HARRIS COUNTY, TEXAS. ACCORDINGLY, THE PARTIES AGREE THAT VENUE IN ANY SUCH ACTION IS PROPERLY LAID IN EITHER SAID COURT.

XXIV. ACKNOWLEDGMENTS

A. The Franchisee acknowledges that it has conducted an independent investigation of the business licensed hereunder to the extent of the Franchisee's desire to do so, and the Franchisee recognizes and acknowledges that the business venture contemplated by this Franchise Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessman. The Company expressly disclaims the making of, and the Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, that the Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits or success.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement, which may be executed in duplicate the day and year first above written.

Franchise Concepts, Inc.

By:_________________________________

Title:_______________________________

Date:_______________________________

____

Franchisee

Date:_______________________________

____

Franchisee

Date:_______________________________

OWNERSHIP MANAGEMENT

Each of the undersigned owns a five percent (5%) or greater beneficial interest in the franchise; each has read this Franchise Agreement; and each agrees to be individually bound by its terms.

______________________________	______________________________
Date	Franchisee
______________________________	______________________________
Date	Franchisee

The undersigned hereby agree to devote full time, energy, and best efforts to the management of the business licensed hereunder throughout the term of this Franchise Agreement, and the Company has entered into this Franchise Agreement in reliance upon and in consideration of this undertaking by the undersigned.

______________________________	______________________________
Date	Franchisee
______________________________	______________________________
Date	Franchisee

GUARANTEE

The Guarantor guarantees the performance of the Franchisee under that one certain Franchise Agreement dated ____________________, between ________________________as the Franchisee and Franchise Concepts, Inc. The undersigned hereby individually, personally and fully guarantee, and shall be primarily liable for, the performance, debts and liabilities of the Franchisee incurred hereunder, and specifically agree that the Company may seek against the undersigned specific performance of the Franchisee's obligations hereunder, including the post-termination and post-expiration covenants contained in Article XV of this Agreement, to the same extent as if the undersigned were named as the Franchisee. The undersigned further agree and acknowledge that this Guarantee is intended to be and constitutes an inducement for the execution and delivery of this Franchise Agreement by the Company.

______________________________	______________________________
Date	Franchisee
______________________________	______________________________
Date	Franchisee

EXHIBIT "A"

The Company and the Franchisee agree that the Designated Premises of Article I.A is **The Great Frame Up, ____** .

Franchise Concepts, Inc.

By:___________________________________
Title:__________________________________
Date:__________________________________

____
Franchisee
Date:________________________________

____
Franchisee
Date:________________________________

ADDENDUM TO THE GREAT FRAME UP FRANCHISE AGREEMENT

FOR THE RESIDENT OF THE STATE OF CALIFORNIA

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

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.

The Franchise Agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law.

FOR RESIDENTS OF THE STATE OF ILLINOIS

The conditions under which your franchise can be terminated and your rights under non-renewal may be affected by 815 ILCS 705/19 and 705/20. Article XXII is amended to provide that Illinois law governs the interpretation and construction of the Franchise Agreement.

Numbered paragraphs (1) and (2) on pages 1 and 2 respectively are hereby deleted.

Article III.A.1 is amended to state that the initial franchise fee shall not be paid to the Company until the Franchisee has opened the franchised business and the Company has performed all of its pre-opening obligations. The Illinois Attorney General has imposed this deferral requirement because of the Guarantor's financial condition. Under 816 ILCS 705/42 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 the State of Illinois is void.

FOR THE STATE OF MARYLAND

This Amendment shall shall apply to Maryland residents and to franchisees who operate franchises in the state of Maryland. No disclaimers contained within the Franchise Agreement shall, nor are they intended to, serve as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. Articles II(C)(2) and XI(C)(5) of the Franchise Agreement are amended to provide that a general release shall not be condition of renewal and/or assignment/transfer and shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Article III.A.1 is amended to state that all fees paid to the Company, including payment for goods and services received from the Company before the business opens, shall not be paid to the Company until the Franchisee has opened the franchised business and the Company has performed all of its pre-opening obligations. Article XXII is amended to provide that the Franchisee may sue the Company 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.

FOR RESIDENTS OF THE STATE OF MINNESOTA

No section shall in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes, Chapter 80C. Minnesota statutes §80C14 regulate termination, including at least 90 days written notice in advance of termination or cancellation, with 60 days in which to cure, except that the notice shall be effective immediately for certain grounds.

Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.44005, Section XXIII of the Franchise Agreement shall not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, including, but not limited to, the right to submit matters to the jurisdiction of the courts of Minnesota.

Article II is amended to read that unless the franchise not renewed for good cause as defined in Minnesota Statute §80C14(b), the Company may not fail to renew the Franchise Agreement unless (I) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the Franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. The Company may not refuse to renew the Franchise Agreement if the refusal is for the purpose of converting the Franchisee's business premises to an operation that will be owned by the Company for its own account.

Article III.A.1 is amended to provide that the initial franchise fee shall not be due and payable to the Company until the franchised business is open and operating.

Article VII is amended to read that the Company will indemnify the Franchisee against liability to third parties resulting from claims by third parties that the Franchisee's use of the Proprietary Marks infringes trademark rights of the third party. The Company does not indemnify against the consequences of the Franchisee's use of the Company's trademark except in accordance with the requirements of the Franchise Agreement, and as a condition of indemnification, the Franchisee must provide notice to the Company of any such claim within ten (10) days and tender the defense of the claim to the Company. If the Company accepts the tender of the defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

FOR THE RESIDENTS OF THE STATE OF NEW YORK

Article IV(A) is amended to read that the training provided by the Company will take place at the Company's office located in St. Peters, Missouri.

Article VIII(C) and Article XV(E) are amended by adding the following: "Any new or different requirements set forth in the Operating Manual shall not unreasonably increase the Franchisee's obligations or place an excessive economic burden on the Franchisee's operations.

Article XII(A) is amended by adding the following: "However, no assignment shall be made except to an assignee who in the good faith judgment of the Company is able to assume the Company's obligations under the Franchise Agreement."

Article XIV(J) is deleted and replaced with the following: The Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article XIV will cause the Company irreparable injury, and the Franchisee hereby consents that the Company may apply for the entry of an ex parte order by any court of competent jurisdiction for injunctive or other legal or equitable relief, including an order authorizing the Company, its designee or agents, to enter the Designated Premises and to take such action as may be necessary or appropriate to protect the Company's rights hereunder.

Article XXII(A) is amended by adding the following: "However, the foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the New York State General Business Law."

FOR RESIDENTS OF THE STATE OF RHODE ISLAND

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

FOR THE RESIDENTS OF THE STATE OF VIRGINIA

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

FOR RESIDENTS OF THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal rights of your franchise. There may also be court decisions that may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal by the franchisor.

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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by the franchisee shall not include rights under the Washington Franchise Investment Protections Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act such as rights to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they may reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to WAC 460-80-460, the Company shall defer payment of the initial franchise fee and other initial payments owed by the Franchisee to the Company until the Company has completed its pre-opening obligations under the Franchise Agreement and the franchise has opened for business.

Franchise Concepts, Inc.

By________________________________
Title______________________________
Date______________________________

____
Franchisee
Date______________________________

____
Franchisee
Date______________________________

Release

For good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, the undersigned hereby do release, aquit, and discharge Franchise Concepts, Inc., its parent company, subsidiaries, affiliates, directors, officers, employees, and agents, from all claims, whether known or unknown, from the beginning of the world until the Effective Date of this Release.

To the extent that any applicable jurisdiction requires the release of unknown claims in a separate paragraph, the undersigned hereby release Franchise Concepts, Inc., its parent company, affiliates, subsidiaries, directors, officers, employees, and agents from unknown claims to the same extent as stated above.

The Effective Date of this Release is ___________________________ .

____
Franchisee
Date____________________________________

____
Franchisee
Date____________________________________

EXHIBIT E

MARKET UNIT ADDENDUM

MARKET UNIT ADDENDUM TO
THE GREAT FRAME UP FRANCHISE AGREEMENT

This Market Unit Addendum to the Franchise Agreement is entered into by Franchise Concepts, Inc., a Delaware corporation, located at 221 First Executive Avenue, St. Peters, Missouri 63376 and 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098 (the "Company") and ____ ______(the Franchisee").

The Company and the Franchisee have entered into a The Great Frame Up Franchise Agreement for the establishment of a The Great Frame Up franchise store. The Franchisee wishes to obtain from the Company the right to develop additional The Great Frame Up franchise stores (hereinafter referred to as "showroom stores") in locations (the "Locations") described on Schedule A. The Franchisee further desires that the Company refrain from franchising stores within three (3) miles of the Locations specified on Schedule A. The Company, in consideration of the payments and promises contained in this Addendum, is willing to refrain from franchising stores within three miles (3) miles of the Locations specified on Schedule A under the terms and conditions specified in this Addendum. The parties therefore agree as follows:

1. The parties to this Addendum agree that the initial franchise fee for the Franchisee's first The Great Frame Up franchise store, for which the Franchisee has of this date signed a Franchise Agreement, is thirty thousand dollars ($30,000.00). The initial franchise fee for the first showroom store identified on Schedule A shall be two thousand dollars ($2,000.00), and the initial franchise fee for each showroom store thereafter shall be two thousand dollars ($2,000.00).

2. Upon execution of this Addendum, the Franchisee shall pay to the Company, in addition to the initial franchise fee for the Franchisee's original The Great Frame Up franchise store, the initial franchise fee for each showroom store identified on Schedule A. No payment to the Company under this paragraph is refundable under any circumstances.

3. No showroom store shall be opened, and no lease for any showroom store shall be signed by the Franchisee, until the Franchisee has executed a The Great Frame Up Franchise Agreement for that showroom store.

4. In addition to the store described in the Franchise Agreement, the Franchisee shall open at least two (2) showroom stores within the first thirty (30) months after opening the Franchisee's original The Great Frame Up Store. Upon receiving site approval from the Company for each Store, the Franchisee shall, within twenty (20) days of receipt of the Company's then-current Disclosure Document, execute a Franchise Agreement for that Store.

5. In the event the Franchisee fails to open a scheduled showroom store within the time set forth in this Addendum, and upon thirty (30) days written notice and opportunity to cure, the Franchisee shall forfeit the initial franchise fee paid upon the execution of this Addendum for that showroom store. In addition, the Company shall be free to offer to the public that area as The Great Frame Up franchise store.

6. Each showroom store opened by the Franchisee shall conform to the store design and trade dress of the Company in existence at the time the Additional store is opened.

Franchise Concepts, Inc.

By:______________________________
Title:____________________________
Date:____________________________

____
Franchisee
Date: ____________________________

____
Franchisee
Date:____________________________

SCHEDULE A

THE GREAT FRAME UP MARKET UNIT ADDENDUM

In addition to The Great Frame Up franchise store described in the Franchise Agreement, the Franchisee agrees to open and operate at least two (2) showroom stores within thirty (30) months after opening the original The Great Frame Up store, in the general location as set forth below.

<u>Area (Defined by Intersection)</u>	<u>Administrative Fee</u>

FRANCHISE CONCEPTS, INC.

The Great Frame Up

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 Franchise Concepts, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchise Concepts, 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 agency listed on Exhibit A.

The franchisor is Franchise Concepts, Inc., 221 First Executive Avenue, St. Peters, Missouri 63376, and 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098. Its telephone number is (866) 719-8200.

Issuance date: April 1, 2019.

The franchise seller for this offering is ____ __________________________________. The name, principal business address, and telephone number of each franchise seller offering the franchise (other than employees of Franchise Concepts, Inc.) will be added in the space above before you buy the franchise, and a copy of the supplemented Receipt will be sent to you. The names of our employees are in Item 2.

Franchise Concepts, Inc. authorizes the respective state agencies identified in Exhibit A to receive process for it in the particular state.

I received a Disclosure Document dated April 1, 2019 that included the following Exhibits:

______________________________	______________________________
Franchisee Signature	Franchisee Signature
Date__________________________	Date__________________________
______________________________	______________________________
(Printed Name)	(Printed Name)

You may return the signed receipt either by signing, dating, and mailing it to Franchise Concepts, Inc. at 221 First Executive Avenue, St. Peters, Missouri 63376, or by faxing a copy of the signed and dated receipt to Franchise Concepts, Inc. at (877) 832-6694.

FRANCHISE CONCEPTS, INC.

The Great Frame Up

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 Franchise Concepts, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchise Concepts, 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 agency listed on Exhibit A.

The franchisor is Franchise Concepts, Inc., 221 First Executive Avenue, St. Peters, Missouri 63376, and 3730 Kirby Drive, Suite 1200 #277, Houston, Texas 77098. Its telephone number is (866) 719-8200.

Issuance date: April 1, 2019.

The franchise seller for this offering is ____ __________________________________. The name, principal business address, and telephone number of each franchise seller offering the franchise (other than employees of Franchise Concepts, Inc.) will be added in the space above before you buy the franchise, and a copy of the supplemented Receipt will be sent to you. The names of our employees are in Item 2.

Franchise Concepts, Inc. authorizes the respective state agencies identified in Exhibit A to receive process for it in the particular state.

I received a Disclosure Document dated April 1, 2019 that included the following Exhibits:

List of State Administrators and Registered Agents. . . . . Exhibit A
List of Current The Great Frame Up Franchisees. . . . . Exhibit B
Financial Statements. . . . . Exhibit C
The Great Frame Up Franchise Agreement . . . . Exhibit D
Market Unit Addendum.. . . . . Exhibit E

______________________________	______________________________
Franchisee Signature	Franchisee Signature
Date____________________________	Date______________________________
______________________________	______________________________
(Printed Name)	(Printed Name)

You may return the signed receipt either by signing, dating, and mailing it to Franchise Concepts, Inc. at 221 First Executive Avenue, St. Peters, Missouri 63376, or by faxing a copy of the signed and dated receipt to Franchise Concepts, Inc. at (877) 832-6694.