FRANCHISE DISCLOSURE DOCUMENT
GROUT DOCTOR GLOBAL FRANCHISE CORP.
A Nevada Corporation
2150 South 1300 East, Suite 500
Salt Lake City, Utah 84106
(877) 476-8800
www.groutdoctor.com

As a franchisee you will operate a mobile service franchise program known as THE GROUT DOCTOR®, specializing in residential and light commercial grout, tile and stone cleaning, sealing, re-coloring, repair, re-grouting and re-caulking maintenance services, refinishing, permanent protective coatings and other supplemental services.

The total initial investment necessary to begin operation of a Grout Doctor® franchise is $20,435 - $33,445. This includes the $12,000 - $16,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Grout Doctor Global Franchise Corp. at 2150 South 1300 East, Suite 500, Salt Lake City, Utah 84106 and (877) 476-8800, Extension 711.

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: March 23, 2018

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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit "C"** 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 ARBITRATION ONLY IN SALT LAKE COUNTY, UTAH. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN UTAH THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT REQUIRES THAT UTAH 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. YOU MUST PAY A MINIMUM MONTHLY ROYALTY FEE OF BETWEEN $574.50 AND $766.00 (THIS IS AN APPROXIMATION BASED ON THE NUMBER OF OWNER OCCUPIED HOUSEHOLDS IN YOUR TERRITORY) AND A MONTHLY MESSAGE RETRIEVAL FEE OF $125.00, EVEN IF YOU HAVE NO REVENUE.

4. PLEASE NOTE THAT 77% OF GROUT DOCTOR GLOBAL FRANCHISE CORP'S TOTAL ASSETS ARE INTANGIBLE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.

5. 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.

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California:	Minnesota:
Connecticut: March 27, 2008	New York:
Florida: August 27, 2017	Rhode Island:
Hawaii:	Texas: May 9, 2006
Illinois:	Utah: November 18, 2017
Indiana:	Virginia:
Maryland:	Washington:
Michigan:	Wisconsin:

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FRANCHISE DISCLOSURE DOCUMENT

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

Franchisor - The name of the Franchisor is Grout Doctor Global Franchise Corp. In this disclosure document Grout Doctor Global Franchise Corp. is referred to as "we" or "us" or "Grout Doctor." "You" or "yours" means the person who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership or other entity. If you are a corporation, partnership or other entity, your owners must sign an agreement that all provisions of our Franchise Agreement also will apply to your owners and then must personally guarantee and be personally bound by your obligations under the franchise agreement.

Our company was incorporated in April 2001 in Nevada. Our principal place of business is 2150 South 1300 East, Suite 500, Salt Lake City, Utah 84106. Our fiscal year ends on December 31st. Our websites are located at www.groutdoctor.com and www.groutdoctorfranchise.com.

The address of our agent for service of process in this state is disclosed in Exhibit "D."

Our Business - We offer and sell franchises for The Grout Doctor® franchise businesses. We, through an affiliate company, operate a business of the type to be operated by you. In addition to operating The Grout Doctor® franchise, we currently provide tools and supplies to franchisees and operate the Data Center. We have no other business activities. We have not offered franchises in any other line of business. We are not engaged in any other business. We do not franchise under any other name.

We do not have a parent, nor any other predecessors or any affiliates required to be disclosed in this item.

The Franchise - We grant franchises authorizing you to use The Grout Doctor® trademarks to perform grout and tile repair, maintenance and refurbishing services and stone care to residential and light commercial customers.

The Franchise Agreement gives you the right to operate your Grout Doctor® franchise business under the name and mark "THE GROUT DOCTOR®," the phrases "WE CURE SICK GROUT®" and "PRETTY TILE, UGLY GROUT?®," and other marks designated by us (all referred to as the "marks"). You must operate in accordance with our unique system for operating the businesses and related licensed methods of doing business (the "system") as more particularly described in our franchise agreement attached as Exhibit "A" to this disclosure document, and according to our operations manual ("manual" or "manuals"), within the exclusive territory. (See Item 12 for details.)

As our franchisee, you must offer residential grout, tile and stone cleaning, sealing, recoloring, repair, re-grouting, re-caulking and other maintenance services as defined in Exhibit A-5 of the franchise agreement. Upon the payment of your initial franchise fee, we will provide to you a complete start-up package as defined in Exhibit A-6 of the franchise agreement for that Grout Doctor® franchise business at no additional cost.

In addition to residential grout, tile and stone cleaning, sealing, recoloring, repair, re-grouting and re-caulking maintenance services, Grout Doctor® franchisees may also offer light commercial grout and tile care, natural stone cleaning, sealing and refinishing, permanent protective coatings and other supplementary services. After operating your franchise for at least 3 months, you may elect to receive training in supplemental services to offer to the public in connection with your Grout Doctor® franchise. (See Item 6). You are not required to offer optional or supplemental services. If you elect to offer natural stone refinishing, porcelain chip repair or custom fiberglass shower floor inserts, you will need to complete additional training and acquire additional tools and supplies from us or a designated supplier of ours. We may periodically modify the supplemental services available. (See Item 6).

We are a member of the International Franchise Association and participate in IFA's Vet Fran Program, which provides special financial incentives to qualified veterans. We are also a member of the National Tile Contractor Association ("NTCA") and The Worldwide Cleaning Industry Association ("ISSA").

We recommend that you form a corporation or limited liability company (which you control) to be the owner of the franchise prior to opening if there will be multiple owners or you later transfer or assign a portion of your

interest in the franchise to another. We reserve the right to require you to form an entity to act as franchisee, with each individual personally guaranteeing the performance of the entity. If your franchise is operated as a partnership, corporation or limited liability company, the majority owners, partners, shareholders, members and owner-managers respectively must sign a personal guaranty.

The Market - The market for your Grout Doctor® franchise business includes owners or occupants of residential and commercial buildings. The market is generally established and developed but is growing as new buildings are constructed and owners and occupants of existing and new buildings learn about the options and advantages of grout, tile and stone cleaning, sealing, recoloring, repair, re-grouting and re-caulking maintenance services. The sales of the services are not seasonal.

Laws and Regulations - We are not aware of any specific regulations relating to the operation of The Grout Doctor® franchised business. You should familiarize yourself with federal, state and local laws of a more general nature that may affect the operation of your Grout Doctor® franchise business, including employment, worker's compensation, insurance, corporate, taxing and licensing laws and regulations. In addition to laws and regulations that apply to businesses generally, your Grout Doctor® franchise business may be subject to federal, state and local occupational safety and health regulations, Equal Employment Opportunity and Americans with Disabilities Act rules and regulations. Some jurisdictions may choose to regulate these and other laws vigorously and that may adversely affect your ability to obtain the proper permits needed in order to open and operate your Grout Doctor® franchise business. Some localities may have licensing requirements. You are solely responsible to determine what local or state regulations, permits, and licenses you will need to comply with and obtain to conduct the franchise business in a particular state, city or town. You must check the city, county, and state in which you intend to operate for these requirements and must meet any of these requirements and obtain any required license(s) before opening your Grout Doctor® franchise business. We strongly recommend that you make sure that you will be able to obtain all necessary permits and licenses in order to operate your Grout Doctor® franchise business before signing your Franchise Agreement. You may need to consult your attorney to help you understand the laws and regulations in your territory.

Competition - If you acquire a Grout Doctor® franchise business, you will compete with other businesses offering similar products and services to the general public such as home improvement companies, as well as carpet cleaning companies that also offer tile and grout cleaning.

ITEM 2
BUSINESS EXPERIENCE

JAMES C. SNEYD, President and Director

Mr. Sneyd is the President of Grout Doctor. He was Vice President from January 2012 to February 2013 and Interim President from February 2013 to June 2013. He is also Director of Sales and Marketing for Grout Doctor. He is a retired United States Air Force Lt. Colonel and more recently retired from Kimberly-Clark Corporation, located in Roswell, Georgia, as a Director of Marketing and Sales. He was with Kimberly-Clark from October 1983 until June 2009. He has been a licensed real estate appraiser for the State of Georgia, license currently inactive. He operated a Grout Doctor® franchise in Woodstock, Georgia from August 2009 to January 2012. He operated a Grout Doctor® franchise in Boston, Massachusetts from January 2013 until October 2014.

REGINA A. FISCHER, Secretary/Treasurer and Director

Ms. Fischer has been Secretary/Treasurer and Director of Finance and Franchise Administration for Grout Doctor since its inception in April 2001. From September of 1997 to August 2014, she operated a Grout Doctor® business in Salt Lake City, Utah. She is also the Secretary/Treasurer for NewLine, Inc. in Salt Lake City, Utah since September 1997.

DANIEL J. START, Vice President and Director

Mr. Start is currently a Vice President and Director of Grout Doctor. Mr. Start was previously Vice President of Grout Doctor from April 2001 until October 2008. In June 2013 he once again became a Vice President for Grout Doctor. From September of 1997 to August 2014 he operated a Grout Doctor® business in Salt Lake City, Utah. He is also the President of NewLine, Inc. in Salt Lake City, Utah since September 1997.

JEANINE D. SNEYD, Vice President and Director

Ms. Sneyd is currently a Vice President and Director of Grout Doctor. Ms. Sneyd has also been Assistant Secretary of Grout Doctor since January 2012. She is a Registered Nurse who worked in Woodstock, Georgia with 25 years of active nursing experience. She is also a principal of JDS Medical Transcription Services located in Woodstock, Georgia since 1998. She operated a Grout Doctor® franchise in Woodstock, Georgia from August 2009 to January 2012. She operated a Grout Doctor® franchise in Boston, Massachusetts from January 2013 until October 2014.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5
INITIAL FEES

Your initial franchise fee is based on the number of owner-occupied households in your territory calculated at the rate of $0.08 per household. (Example 1: 150,000 households times $0.08 = $12,000. Example 2: 200,000 Households times $0.08 = $16,000.) A minimum territory size is approximately 150,000 owner-occupied households and a maximum territory size is approximately 200,000 owner-occupied households. The number of households located within a territory is determined by the use of GEOMETRX computer software. This software also provides demographic information by zip code for the households within the territory. This software is automatically updated twice annually. The franchise fee is payable in a lump sum by cashier's check or by draft at the time of execution of the franchise agreement (however this provision may not be applicable in certain states, see state specific addenda).

The initial franchise fee for honorably discharged or retired veterans of any of the United States Military Services is reduced by fifty (50%) percent to $0.04 cents per household. The initial franchise fee for the first franchise sold in each one of the 50 United States and the District of Columbia is reduced by twenty (25%) percent to $0.06 for each household in the related territory. You may only use one reduction for the initial franchise fee even if multiple reductions may apply. The maximum reduction allowable is 50% if you are a veteran and 25% if you are not a veteran.

Once you own a franchise, you may purchase additional or multiple franchises at a 50% discount. You will pay $0.04 per owner occupied household in the proposed territory. Purchase of the additional franchise at the reduced rate does not include any opening marketing, startup packages or training. Purchase of an additional, or multiple franchises, is subject to our approval.

The initial franchise fee is non-refundable, the only exception is if we terminate your franchise based on your failure to satisfactorily complete our initial training program in our sole discretion. In that event, we will refund your initial franchise fee, minus up to $6,675 for training costs and minus any actual out-of-pocket expenses we incur in connection with your transaction. The franchise fee is not refundable under any other conditions.

Except as noted above, the costs and fees are uniform for all franchisees and are not refundable. Some states require deferral of the initial franchise fee until all of our pre-opening obligations to you are satisfied (see state specific addenda).

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty*	9% to 6% of monthly gross sales based on a declining scale or a minimum payment of $0.00383 per household in your territory (approximately $574.50 to $766 depending on number of households), whichever is greater. Maximum monthly royalty payment is $0.0075 per household in your territory (approximately $1,125 to $1,500 depending on the number of households).	Paid via bank draft on or before the 5th day of each month	Gross sales include all revenue from the franchise business but exclude sales tax and sales of products to consumers. We reserve the right to collect this fee weekly in the future. See Note 1, Note 5, and Note 7.
Message Retrieval, Distribution and Data Entry*	$135 - $165 per month	Must be received by the 1st of each month for that month's service	See Note 2.
Promotional Materials*	Cost plus 10%	Upon placing order	See Note 3.
Successor Franchise Fee*	$500	Prior to your entering into a successor franchise agreement.	Payable prior to your entering into a successor franchise agreement if you elect to continue your franchise after the initial term.
Additional Trainees*	Our then-current fee for additional trainees. Currently the fee is $250 per person per day.	2 weeks before beginning of training	We will provide initial training to you and 1 additional person at no charge. This fee is for training of more than 2 persons or additional persons in the future. Additional trainees may be scheduled at a later date. See Note 4.
Additional On-Site Assistance*	Our then-current fee for additional training. Currently the fee is $300 per representative per day plus travel, food, and lodging expenses of our representative(s) or the current fee in effect at the time.	On demand	We can adjust this fee at any time. The current fee will be listed in the manuals. We provide on-site consulting assistance as reasonably requested by you, or as required by us (see Item 11).

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Supplemental Services Training Fee*	Our then-current fee for supplemental services training. Currently the fee is $120 to $250 per person per day.	2 weeks before beginning of supplemental services training	We can adjust this fee at any time. After operating your franchise for at least 3 months, you may request training in supplemental services. This fee is charged for each person to attend the supplemental training. See Note 4.
Conventions, Periodic, Meetings and Seminars*	Our then-current fee (currently about $165 to $250 for each attendee at any convention, periodic meeting, or seminar) plus the costs of travel, food, and lodging	1 month before meeting or seminar	We may charge you a fee to cover the expenses incurred in connection with such meetings or seminars. We can adjust this fee at any time.
Relocation Fee*	$1,000	On demand	If you request to move your franchise to another location and we approve this move, we charge you this fee to cover our costs associated with this change.
Transfer Fee*	$2,000 plus our out-of-pocket expenses	At the time of approved transfer.	If you sell your franchise or business, you or your buyer must pay us the transfer fee. No charge if your franchise is transferred to an entity that you own 60% or more and control.
Insurance*	Costs incurred by us	On demand	Payable to us if we pay your premium when you fail to do so.
Attorneys' Fees and Costs*	Costs incurred by us	Upon completion of proceeding	Payable when we incur legal costs in enforcing the franchise agreement and prevail in any action.
Indemnification*	Loss, liability, taxes or damages and costs incurred by us	When claim brought against us	You must reimburse us for any liability and costs incurred by us by reason of your ownership or operation of the business

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Management Fee*	Our costs plus 10% of gross sales	Upon demand	You must reimburse us our costs, plus 10% of gross sales, if we elect to manage your business due to unexpected circumstances to protect harmful interruption of your business.
Interest*	Lesser of maximum legal rate or 1-1/2% per month	On late payments	We charge interest on your past due accounts.
Audit Fee	Cost of Audit	On Billing	If understatement of 2% or more of gross sales or records are unavailable.
System Non-Compliance	Amount to be specified in the operations manual. Currently there are various charges ranging from $10 to $250 per day/per instance for non-compliance	On demand, as incurred	Paid in addition to other payments to us. See Note 6.
Customer Complaint Resolution Fee*	$75 per incident, plus our costs.	On demand, as incurred	If you do not resolve a customer complaint and we are required to assist them, you must pay the fee and reimburse us for any of our costs to respond to and compensate complaints from your customers.
Late Payment Fee/NSF Fee*	Currently the fees are: 5% per month/$25.00 per occurrence	Payable with royalty or reports or on demand/per NSF Transaction	This late payment fee is in addition to interest. Charges and interest begin to accrue after the due date of any royalty, fee, report, or other required payment. We can adjust these fees at any time. We may change these fees at any time.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Advertising Fund Fee	Currently 1/2% of monthly gross sales, we reserve the right to require up to 3% of gross sales for a marketing fund in the future	Paid in accordance with the royalty	The marketing fee may be used by us for national or regional marketing, as we choose. If we cause the formation of a local or regional marketing group, you will be deemed to be a member and we may choose to pay the marketing fund fee to the group. We will not control the group. See Item 11.
Local Advertising Requirement	20% of monthly gross sales or $2,000 per month, whichever is greater, during the first 6 months. Thereafter the minimum allotment is $1,200 per month.	Payable Monthly	You will spend at least this amount every month to advertise your franchise business locally. We may increase the required local marketing amount. This amount is paid directly to the vendors and other suppliers of your local marketing. We may require you to contribute all or a portion of your local marketing to a regional cooperative.
Post-Termination Liquidated Damages	$250 per day you fail to comply with each of your post-termination obligations	As Incurred	See Note 8.
Technology Fee	Currently there is not a charge for use of the software and other technology, but we reserve the right to charge a monthly or annual fee in the future	If implemented, paid in accordance with the royalty	If implemented, the fee may be used for the costs and maintenance of the software including payment to employees. This fee will be updated periodically in our manuals.

*Items marked with an asterisk (*) denote fees that you pay to us and that are non-refundable. All fees are uniform.

Note 1: Royalty. The amount of the royalty is as follows or a minimum payment of $0.00383 per household, whichever is greater:

9% of your gross sales if your gross sales are from $0 to $8,000
8% of your gross sales if your gross sales are $8,001 to $12,000
7% of your gross sales if your gross sales are $12,001 to $15,000
6% of your gross sales if your gross sales are $15,001+

The maximum monthly royalty is $0.0075 per household.

You are not required to pay royalties for the first month following the commencement of operations of your franchise business and your royalty will be reduced by 50% for the following two months. After that you will be required to pay the full royalty amount each month. We require payment to be made by bank sweep, draft or other similar type of electronic funds transfer ("EFT") as set by us periodically, and which account we may automatically access for any payment due us, including post-termination fees. You cannot close or terminate any EFT or similar account without receiving our prior written consent.

Note 2: Data Center. We provide the Data Center for message retrieval, distribution and data entry. The Data Center will receive, retrieve and distribute all calls to your The Grout Doctor® telephone number, enter them into your Grout Doctor® Franchise Management Software (currently Sandstone), and will also forward them on to you based on your zip code territory. You pay for this service; currently the charge is $135 per month for the standard service and $165 per month for the expanded service (franchise agreement - paragraphs 4.6 and 5.3.4). You must utilize the Data Center. We will designate a local telephone number for all marketing in your territory. You are prohibited from using any other telephone number in any marketing you conduct except marketing tracking numbers approved by us. Fees paid to the Data Center are not refundable.

Note 3: Promotional Materials. If you choose to purchase promotional marketing supplies, you must purchase them from us, or a designated supplier. Such supplies include desk supplies, calendars, pins, coffee mugs, and key chains, and other items we may make available.

Note 4: Training. We do not charge you a fee for initial training for up to 2 people trained, but you must pay for your own travel, food, and lodging and meals for the duration of the training program. You must also pay your own travel, food and lodging for any additional or supplemental training you schedule with us.

Note 5: Gross Sales. The term "gross sales" currently includes the total of all sales of services sold or rendered by you but does not include the sale of products or other goods. Gross sales exclude bona fide credits and refunds for services and also excludes amounts paid by you for sales or use taxes on the sale of any merchandise or service. We reserve the right to include the sale of products in the definition of gross sales in the future.

Note 6: System Non-Compliance. For certain defaults in your compliance with our system, we reserve the right to institute a series of fines and charges defined in our operations manual that may be revised by us periodically.

Note 7: Date Entry. You are required to stay current with the input of your data entry into the Grout Doctor® Franchise Management Software. You must enter your data not less than weekly and on the last day of each month. You must complete the royalty report on the last day of each month representing that all invoices and receipts have been recorded. Failure to complete the royalty report will result in us drafting the maximum royalty due under your franchise agreement.

Note 8: Liquidated Damages. In the event You fail to comply promptly with any of your post termination obligations: (a) you agree to pay us $250 per day for each day that you are in default, as a reasonable estimate of the damages suffered by us; and (b) to prevent further injury, we may hire a third-party or use our own personnel to de-identify your unit and/or to carry out any other obligations on your behalf. This liquidated damages obligation will not affect our right to obtain appropriate injunctive relief and other remedies to enforce the franchise agreement and your obligations.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$12,000 to $16,000 (Note 1)	Lump Sum	When You sign the franchise agreement (however, see state	Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
			specific addenda)	
Expenses During Training	$150 - $2,000 per person (Note 2)	As incurred	As needed	Vendors
Advertising (3 months)	$6,000 - $9,000 (Note 3)	As incurred	As needed	Marketers
Vehicle (3 months)	$0 - $1,000 (Note 4)	As arranged	Before Opening	Vendor
Telephone/high speed internet capability	$0 - $100 (Note 5)	As arranged	Before Opening	Telephone Company, Vendor
Computer System	$0 to $500 (Note 6)	As arranged	Before Opening	Vendor
Insurance, Liability (3 months)	$300 - $500 (Note 7)	As incurred	Before Opening	Insurance Company
Insurance, Auto (3 months)	$330 to $600 (Note 8)	As incurred	Before Opening	Insurance Company
Initial Equipment, Tools, and Office Furniture (3 months)	$0 - $500 (Note 9)	As incurred	As needed	Us, Vendors
Initial Inventory (3 months)	$250 - $500 (Note 10)	As incurred	As needed	Us, Vendors
Initial Forms, and Office Supplies (3 months)	$0 - $50 (Note 11)	As incurred	As needed	Us, Vendors
Licenses	$0 - $200 (Note 12)	Lump sum	Before Opening	Municipality
Data Center Fee (3 months)	$405 to $495 (Note 13)	As incurred	1st of each month after opening	Us
Additional Funds – (3 months)	$1,000 to $2,000 (Note 14)	As incurred	As needed	Vendors
Total	$20,435 - $33,445 (Note 15)			

Note 1: Franchise Fee. Your initial franchise fee is based on the number of households in your territory calculated at the rate of $0.08 per owner occupied household with a typical territory size including between 150,000 and 200,000 owner-occupied households. The initial franchise fee may be reduced if you meet one of the conditions described in Item 5. The maximum reduction allowable is 50% if you're a veteran and 25% if you are not a veteran.

The franchise fee is not refundable unless we terminate your franchise based on your failure to satisfactorily complete our initial training program (see Item 5). We do not finance any portion of this fee. After opening your franchise, you may purchase additional or multiple franchises at a reduced rate (see Item 5.) Some states may require deferral of this fee (see state specific addenda).

Note 2: Expenses during Training. We do not charge you a fee for initial training of two people, but you must provide your own travel, lodging and meals for the duration of the training program. The low estimate assumes you are training locally and do not need to pay for food or lodging costs but will have auto expenses. The high estimate assumes you will need to pay for travel, lodging and food.

Note 3: Advertising. Grout Doctor pays an amount equivalent to 10% of your franchise fee for your grand opening marketing. If you purchase a Grout Doctor® vehicle wrap from a designated supplier within the first 30 days from opening of your Grout Doctor® franchise business, we will pay $450 towards a window wrap, $750 towards a partial vehicle wrap or $1,000 towards a full vehicle wrap to the designated supplier. No grand opening marketing or vehicle wrap will be paid by Grout Doctor® when you purchase additional units. You must spend 20% of your gross sales or a minimum of $2,000 per month, whichever is greater, for marketing during the first 6 months of operations. The amount of marketing needed will vary depending on your goals and the level of response in your area. The low range assumes $2,000 per month will generate enough business. The high range assumes you need to spend $3,000 per month to reach your goals. You must spend a minimum of $12,000 in your first 6 months in business.

Note 4: Vehicle. You will need a car, van or truck in your business. The low range assumes you already have a suitable vehicle. The high range assumes you lease a vehicle.

Note 5: Telephone/high speed internet capability. You must have a telephone and a high-speed internet connection. This requirement is in addition to your use of the Data Center and the telephone number we designate for marketing, as described in Item 6 above. The costs vary depending on your geographic area. The cost will be $0 if you already have a compatible telephone and high-speed internet connection.

Note 6. Computer System. You must have a computer system compatible with accessing the Internet and a high-speed Internet connection. Minimum system requirements are Windows 7 or higher with 1 gigabyte of Ram or the Macintosh equivalent. We provide you with Grout Doctor® Franchise Management Software without additional cost to you. The cost will be $0 if you already have a compatible computer system.

Note 7: Liability Insurance. You must purchase the amount of insurance we require. The estimates are for the first 3 months of premiums. The cost of insurance will vary based on policy limits, types of policies procured, geographic location and other factors. (See Item 8.)

Note 8: Auto Insurance. The estimates are for the first 3 months premium. The cost of insurance will vary based on policy limits, types of policies procured, geographic location and other factors. (See Item 8.)

Note 9: Initial Equipment and Tools. The low estimate assumes you do not need any equipment or tools other than what we initially furnish you. The high estimate assumes you need to purchase additional equipment and tools during the initial 3 months of the business.

Note 10: Initial Inventory. We furnish you with a new franchisee start-up package, which includes the products listed in Exhibit A-6 of the Franchise Agreement, for the first franchise you purchase. The cost and shipping of the new franchisee start-up package is included in the franchise fee for the first franchise you purchase. You may need to purchase additional materials such as silicone, bonding agent and stain. Additional inventory purchased from us is non-refundable.

Note 11: Initial Forms and Office Supplies. We provide you initially with an ample supply of business cards, estimate forms, and door hangers. After you use up this initial supply, you must purchase such supplies from us, or suppliers approved or designated by us. The low estimate assumes you do not need to buy anything other than what we initially furnish to you. The high estimate assumes you need to purchase office supplies during the initial three (3) months of business. Additional supplies purchased from us are non-refundable.

Note 12: Licenses. You may be required to obtain licenses to operate your franchise from your local authorities. These will vary depending on your location, but may include a business license.

Note 13: Data Center. After you begin operating your franchise, you must pay for the Data Center service provided by us. Currently the charge is $135 per month. The low number assumes you have elected to use the standard service, the high number assumes you have elected to use the expanded service. (See Item 6.)

Note 14: Additional Expenses. This item covers miscellaneous start up and operating costs for the first 3 months, including: automobile fuel and maintenance and other miscellaneous costs incurred as related to conducting your business and traveling to and from appointments and customer locations. It does not include any payroll or salary to you or to any employees, interest expense, or debt service. We assume you will conduct your business out of your home, so no costs have been estimated for investment in real estate or lease of space. We have compiled these estimates based on the experience of our principals and affiliates.

Note 15: Total. These figures do not include any amount for your personal living expenses; you should have additional sources for payment of personal living expenses. These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting the business. Your costs will depend on factors such as: How closely you follow our methods and procedures, your business management skills and experience, local economic conditions, competition, and the sales level reached during the first 3 months. These amounts are non-refundable, unless otherwise indicated. We do not finance any part of the initial investment other than as specifically stated.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must only use the telephone number we designate and provide to you in your marketing or marketing tracking numbers approved by us. Any telephone number and marketing belong to us. In addition, you must use the services of our Data Center. The Data Center will receive, retrieve and distribute all calls to your Grout Doctor® telephone number, enter them into your Grout Doctor® Franchise Management Software (Sandstone), and will distribute them to you based on your zip code territory. You must only use the Grout Doctor® Franchise Management Software we supply. We are the only approved source for these products and services.

Your initial franchise fee covers the cost of your new franchisee start-up package, which includes materials and supplies you will generally need to start your Grout Doctor® franchise business. A list of the supplies in the start-up package is included as Exhibit A-6 to the franchise agreement. We will make arrangements to deliver the items in the new franchisee start-up package immediately after you purchase your franchise and prior to opening. The cost of required equipment, materials and supplies you must purchase in accordance with specifications is an insignificant percent of the total purchases in connection with the establishment of your franchise.

Insurance

The insurance policies you must purchase and maintain throughout the term of the franchise must be issued by an insurance carrier approved by us. You must maintain (a) comprehensive general liability insurance, including, contractual liability, broad form of property damage, products liability with amounts of $1,000,000 combined single limit $1,000,000 bodily injury, and $1,000,000 property damage; (b) commercial automobile liability insurance for both owned and non-owned vehicles used in Your Franchise Business with deductibles not to exceed $1,000 but in no instance less than $100,000/$300,000/$50,000 or a minimum combined single limit of not less than $250,000; commercial automobile liability insurance for both owned and non-owned vehicles used in Your Franchise Business with deductibles not to exceed $1,000 but in no instance less than $100,000/$300,000/$50,000 or a minimum combined single limit of not less than $250,000; (d) Bailee's insurance covering the value of any and all customers goods in Your possession; and (e) Workers' Compensation including Employer's Liability insurance as provided by state law for you and your employees. You must also maintain and keep in force all worker's compensation and employment insurance on your employees that is required under all federal and state laws. We can require you to obtain different or additional kinds of insurance and may increase the amount of coverage required. Failure to obtain and maintain the required insurance constitutes a material breach of the franchise agreement entitling us to terminate the agreement. You must name Grout Doctor Global Franchise Corp., 2150 South 1300 East, Suite 500, Salt Lake City, Utah 84106 as an additional named insured on your Comprehensive General Liability Insurance, your Workers' Compensation and the other required insurance policies. You must provide us with proof of the required insurance for your Auto Insurance Policy with business coverage. All the policies must provide for 30 days prior written notice to us, of any material modification, cancellation or expiration of the policy. These insurance coverage requirements are only minimums. You may choose to secure higher coverage amounts. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. We do not derive revenue as a result of your purchase of insurance.

Software and Technology

We provide you with Grout Doctor® Franchise Management Software (Sandstone) without additional cost to you. Grout Doctor® provides Sandstone, a contact management, calendaring, statistical analysis, invoicing and royalty reporting software to manage your franchise. You must use the software we provide. We are the only approved supplier of this product.

We may require you to have a tablet or smart phone that can operate a mobile app for the system. (See Item 11 for more detail.)

Supplemental Services

After operating your franchise for at least 3 months, you may elect to be trained to offer supplemental services to the public. We or our designated trainers are the only source for training in these supplemental services and you must pay a training fee to us. (See Item 6.) The supplemental services we offer to train you in may change periodically in accordance with our operations manual. Currently we offer training in the following supplemental services: Stone Restoration and Polishing. Electing to offer these supplemental services in connection with your Grout Doctor® franchise may require you to purchase additional equipment and supplies from our designated or approved suppliers or in accordance with our specifications. At this time, we are not a designated supplier of the equipment or supplies.

None of our officers or owners have an ownership interest in any of our suppliers.

Non-Approved Suppliers

We will provide you with the names of approved products and supplies during training. We may periodically make reasonable modifications to our approved list. The list of approved services is attached as Exhibit A-5 to the Franchise Agreement. We may modify the standards and specifications and the list of approved products and supplies. If you propose to purchase or lease any goods or services not previously approved by us, you must submit a written request to us for approval before your use of the item. We will consider any request by you for approval of a potential product or supply or modification of a standard or specification. We do not provide a list of criteria or specifications to our franchisees or suppliers. If we request you to do so, you must also submit to us sufficient specifications, photographs and/or other information or samples for examination and/or testing. We will communicate to you within 60 days our determination on whether we approve the product or item for your use. We can charge you a reasonable amount to cover our expenses in testing or inspecting any item.

You must purchase and use cleaners and sealers from our designated supplier to use in the operation of your Grout Doctor® franchise business. We also require that all items bearing our trademark, including cleaning supplies, be purchased from us or other sources designated or approved by us. To the extent that we sell materials and items to you, we will derive income from the sale and purchase of such items. Occasionally, you will be required to buy special promotional items such as marketing materials, related products and goods from us or from vendors we name in connection with a promotional program or marketing strategy. We estimate that the purchase of products and any leases from designated or approved sources will represent approximately 15% to 40% of your overall purchases in establishing and operating your business.

We derive income through mark-ups in prices we charge to you for goods and services sold or provided by us. Our total revenues during 2016 were $845,848 of which $106,226 (approximately 12.56%) was derived from the sale of required goods and services to franchisees.

We have products which are marketed and sold to the public through our website. You must market and sell these products to your customers. Every time a customer uses a code that represents you or a customer purchases the products from your territory without a code, you will receive between 10–20% of the sale. We track the various purchases and send you your portion of the sale and an accounting of the products sold each quarter. You may not sell the products from a website created by you or over the Internet except through our Grout Doctor® website. You may purchase these items at a discount and offer them for sale to the public except through the Internet. You will be responsible for any sales tax that may become due by selling these products directly to the public.

We do not currently have any purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers for the benefit of the franchisees. We do not provide material benefits to franchisees based on franchisee's purchase of particular products or services or use of particular suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site Selection and acquisition/lease	Sections 4.1 of the franchise agreement	11
b. Pre-opening purchases/leases	Not Applicable	Not Applicable
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	Paragraphs 6.1.4, 7.1.6, and 7.1.7 of the franchise agreement	6, 11, 15
e. Opening	Section 4.3 and paragraph 7.1.3 of the franchise agreement	11
f. Fees	Article V of the franchise agreement	5, 6, 7
g. Compliance with standards and policies/operating manual	Section 6.2 and article IX of the franchise agreement	8, 11, 14, 16, 17
h. Trademarks and proprietary information	Article III of the franchise agreement	11, 13, 14
i. Restrictions on products/services offered	Article VIII of the franchise agreement	8, 16
j. Warranty and customer service requirements	Paragraph 6.1.2 of the franchise agreement	11
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product / service purchases	Article VIII of the franchise agreement	8, 16
m. Maintenance, appearance, and remodeling requirements	Paragraph 6.1.8 of the franchise agreement	11
n. Insurance	Section 6.1.10 of the franchise agreement	6, 7, 8
o. Advertising	Article X of the franchise agreement	6, 7, 11
p. Indemnification	Section 15.2 of the franchise agreement	6, 13
q. Owner's participation/ management/staffing	Paragraphs 6.1.6, 6.1.7, and 6.1.9 of the franchise agreement	15
r. Records and reports	Sections 5.4 and 5.5 of the franchise agreement	6

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
s. Inspections and audits	Section 5.5 and paragraphs 6.2.2(iv) and 7.1.8 of the franchise agreement	6, 11, 13.3.5
t. Transfer	Article XIV of the franchise agreement	6, 17
u. Renewal	Section 2.2 of the franchise agreement	6, 17
v. Post-termination obligations	Section 12.1 of the franchise agreement	17
w. Non-competition covenants	Article XVI of the franchise agreement	17
x. Dispute resolution	Article XVII of the franchise agreement	6, 17
y. Compliance with government regulations	Paragraph 6.1.1 of the franchise agreement	1
z. Guarantee of owners	Paragraph 6.4.1 of the franchise agreement	15

ITEM 10
FINANCING

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

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

Except as listed below, Grout Doctor Global Franchise Corp. is not required to provide you with any assistance.

We provide the following services to you before the opening of the franchised business (references are to the Franchise Agreement unless otherwise noted):

1) The criteria we consider in configuring your territory may include the number of owner occupied households in contiguous zip code areas, the household income of the households and the geographic layout of your territory. If your office is located outside of your home, the office space must be located in your territory. We will configure your territory (franchise agreement section 1.1) before you purchase your franchise. However, you must identify a location for your office which may require our approval if it is not located in your home. If you do choose to open an office in a location other than your home, you must adapt the above, at your own expense, to your site in accordance with local, state and federal laws, rules and ordinances with our approval. Our approval of your site is not a guarantee or a warranty of the potential success of a location. We do not own properties that we lease to you and do not assist you in negotiating the purchase or lease of your site.

You are responsible to obtain any required permits and to ensure compliance with the Americans with Disabilities Act. We do not assist you with the construction, remodeling or decorating of the premises.

2) We will furnish you with initial training, which is described in more detail later in this Item 11 (franchise agreement paragraphs 6.1.4 and 7.1.6). At training, we will supply you with a list of our designated or approved suppliers and our specifications. No initial training will be provided when additional units are purchased.

3) We will furnish you with a complete start-up package that includes an initial supply of estimate sheets, business cards, shirts, vehicle signs and other supplies and materials in quantities that will last approximately 30 - 90 days (franchise agreement section 4.4 and exhibit A-6). No start-up package will be provided when additional units are purchased.

4) We will loan you a copy or provide electronic access to our confidential manuals. The manuals are confidential and will remain our property. The manuals are confidential and will remain our property and may be

used by you only in association with your Grout Doctor® franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. You may not copy any part of the manuals, either physically or electronically. We have the right to add to, delete from, supplement, and otherwise modify the confidential manuals to reflect changes in products, services, specifications, standards and operating procedures, including sales and marketing techniques relating to the franchise business. The master copy of the confidential operations manual maintained by us will be controlling in the event of a dispute relative to the contents of the confidential operations manual (franchise agreement article IX). The table of contents of the operations manual is set forth on Exhibit "F" and the operations manual has approximately 722 pages. No additional operations manual will be provided when additional units are purchased.

5) We will analyze your territory for marketing and facilitate the purchase of a Grout Doctor® vehicle wrap and place grand opening marketing on your behalf. This grand opening marketing is paid for by us using a maximum of 10% of your franchise fee (franchise agreement paragraph 7.1.3). No grand opening marketing will be provided, nor will any amount be paid toward your vehicle wrap when additional units are purchased.

6) We will provide you with a marketing strategy that may include direct mail marketing, online marketing and a media package that includes ads approved for immediate use (franchise agreement article X).

Estimated Length of Time Before Operation. The average length of time from the date the Franchise Agreement is signed to the opening of the franchised business is approximately 21 days. Factors affecting this length of time include setting up your office, obtaining the necessary licenses, placement of marketing, delivery of inventory, tools and supplies, and successful completion of the initial training program. By the terms of the Franchise Agreement, you must open your franchised business within 90 days of the date you sign the Franchise Agreement (franchise agreement section 4.3)

We provide the following services to you after the opening of your franchised business:

1) We provide the Data Center for message retrieval and distribution from your assigned Grout Doctor® number. The Data Center will receive, retrieve and distribute all calls to your Grout Doctor® telephone number, enter them into your Grout Doctor® Franchise Management Software (Sandstone), and will also forward them on to you based on your zip code territory. You pay for this service; currently the charge is a minimum of $135 per month (franchise agreement section 4.6 and paragraph 5.3.4).

2) We will, upon request, furnish ongoing consultation on the promotional, business or operations problems, suggest possible improvements and provide analysis of your services, sales, marketing and financial data (franchise agreement paragraph 7.1.4).

3) We will, upon request, provide you with backdrop signage, table skirt, one Grout Doctor® lab coat and advisory assistance for trade show booths at trade shows. You will pay shipping and handling fees. We reserve the right to require a refundable deposit for all such items (franchise agreement paragraph 7.1.9).

4) We do not assist you with the training, hiring, managing, or firing of your employees. You are solely responsible for the hiring of all your employees, along with the management, supervision, and oversight of your employees, and for the terms and conditions of their employment and compensation. Other than initial and ongoing management training, we do not assist you with training your employees. However, we will, upon request, provide you additional assistance at your location, at our then-current fee, as well as our expenses incurred in connection with such additional assistance including the cost of travel, food and lodging for our representatives and other expenses incurred in connection with the assistance (franchise agreement paragraph 6.1.9).

5) We will, upon request, make our training program available to your employees, partners and associates, at reasonable times and at our then current fees (franchise agreement paragraph 7.1.7). The training and operating assistance, in whole or in part, may be provided by qualified, existing franchisees, who are not our employees. You will be responsible to pay for the cost of travel, food and lodging for your employees or for our representative if our representative travels to you.

6) We will provide an advisory service that may include monthly reviews with you and shall include consultation on promotional efforts, business or operational problems with analysis of your sales, marketing and

financial data. Such services may be provided by us at your location, by mail, e-mail, telephone, teleconference, webinar, or other means at our discretion (franchise agreement paragraph 7.1.4).

7) We provide you with Grout Doctor® Franchise Management Software (Sandstone) without additional cost to you for each franchise you purchase. The Grout Doctor provides Sandstone, a contact management, calendaring, statistical analysis, invoicing and royalty reporting software to manage your franchise. You must use the software we provide (franchise agreement paragraph 6.1.12).

8) We have Grout Doctor® products, which are marketed and sold to the public through our website. You must market and sell these products to your customers. Every time a customer uses a code that represents you or a customer purchases the products from your territory without a code, you will receive between 20 – 40% of the sale. We keep track of the various purchases and send you your portion of the sale and an accounting of the products sold each quarter. You may not sell the products from a website created by you or any other place over the internet except through the Grout Doctor® website and Grout Doctor® Facebook pages established by us. You may purchase these items at a discount and offer them for sale to the public except you may not offer them for sale through the internet. You will be responsible for any sales tax that may become due by selling these products directly to the public (franchise agreement paragraph 6.2.2(ii)).

We may, but are not obligated by the franchise agreement to:

9) Hold annual conferences to discuss improvements, new developments, mutual concerns and business issues. Attendance is mandatory for the first three years after you open and bi-annually thereafter. There is a conference fee. This has generally cost between $175 and $325 for each attendee. You must also pay all your travel and living expenses to attend the conference. These conferences will be held at various locations chosen by us (franchise agreement paragraph 6.1.13).

10) Conduct teleconferences, as reasonably needed, to discuss sales techniques, bookkeeping, accounting, inventory control, performance standards and marketing programs (franchise agreement paragraph 7.1.4). At this time there is no charge for this service, but that is subject to change at our sole discretion.

11) Establish additional policies, procedures, standards and specifications for the operation of your franchise business. We may change, modify or update these policies, procedures, standards and specifications at any time at our discretion. All modifications may be posted online. You must strictly follow these policies, procedures, standards and specifications. Failure to do so is grounds for termination of your franchise (franchise agreement paragraph 9.1.1).

12) We are not required to provide in-person, on-going assistance; however, if you feel additional on-site assistance is necessary, we will provide assistance and supervision at your franchise business location. For our services you will be charged our standard rate in effect at the time. We currently charge a fee of $250 per day per person for training at our headquarters and $300 per day per person for training at your franchise business location, payable in advance, or as otherwise agreed. You must also pay the cost of travel, meals and accommodations for our representatives (franchise agreement paragraphs 7.1.4 and 7.1.6).

13) Make periodic inspections of your franchise business for compliance, consultation, assistance, and guidance in the operation and management of the franchise business as we deem appropriate from time to time. We will provide written reports of any suggested changes or improvements for the operation or management and detail any defaults in operations that become evident as a result of any such evaluation and inspection. Additional guidance, at our sole discretion, will be furnished in the form of our confidential manuals, bulletins or other written materials, telephone consultations and/or consultations at our offices or at your franchise business location in conjunction with an inspection of such a franchise business (franchise agreement paragraph 6.2.2(iv)).

14) At your request, provide you with samples of marketing and promotional materials developed by us. You may develop marketing materials for your use, at your cost, but all marketing materials must be approved by us in advance and in writing, and all such ads will become the property of Grout Doctor and may be used by us and other franchisees in future marketing in accordance with the manuals without compensation to you. We may also make available to you promotional marketing material, which will include without limitation miscellaneous desk supplies, calendars, pens, coffee mugs, and key chains. The marketing supplies will be billed to you plus actual shipping

costs. The cost for all such promotional materials is payable with your order for same. Materials will not be shipped until the amount is paid in full (franchise agreement sections 10.3 and 10.4).

15) Develop promotional programs and campaigns which will be mailed to clients and prospective clients or which will be placed in state, regional or national publications (franchise agreement section 10.4).

16) We reserve the right to require continuing educational programs. We may conduct periodic meetings and seminars for our franchisees, which we may designate as mandatory or non-mandatory. You must attend any meetings and seminars we designate as mandatory, not to exceed one meeting or seminar per calendar year where travel is involved. At these meetings, new ideas and concepts can be exchanged, discussed and implemented. We may charge a fee to cover the costs of such meetings and seminars. In addition, you must pay all costs of travel, lodging and subsistence you incur in connection with such attendance.

Advertising & Marketing Plan

Advertising Fund - Your payment of the royalty entitles you to the marketing support described in this Item 11. There is a separate national marketing program that we maintain and administer. This national marketing and development fund is referred to as the marketing fund. You are required to contribute to the marketing fund. The marketing fund fee is currently ½% of your monthly gross sales. We reserve the right to require up to 3% of gross sales for the marketing fund fee in the future (franchise agreement section 10.1).

The marketing fund is used for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to market and promote company centers and franchise centers, or to engage in public relations programs. This will be uniform and company-owned outlets contribute to the fund. We will direct all these programs, with sole discretion over (1) the creative concepts, materials, endorsements and media used regarding these programs (which may include television, radio, Internet, print, and other media and marketing formats as developed over time, as funds permit); (2) the source of the marketing or public relation efforts (which may be in-house or through an outside agency located locally, regionally or nationally); (3) the placement and allocation of these programs (which will be local or regional); and (4) the composition of all geographic territories and market areas for the development and implementation of these programs (franchise agreement section 10.1).

Most local marketing placement is done on a local basis, typically by local marketing agencies hired by individual franchisees or marketing cooperatives. We do not provide for placement of local marketing. However, we will provide advice on local marketing, and direction regarding the proper usage of our trade names, trademarks, service marks, and other trade symbols.

We are responsible for administering the fund. We may use the marketing fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in marketing fund activities. We are not required to spend any amount on marketing directly in the area or territory where you are located. Marketing funds are used to promote the products and services sold by the franchisees and may be used to solicit or sell additional franchises. Any unused marketing funds in any calendar year will be applied to the following years' fund. At the end of 2017, we had 50.21% of the marketing fund fees remaining in the fund. During the year ending December 31, 2017 we collected $49,718.18 from all franchisees for the marketing fund. During the 2017 fiscal year, the marketing funds were used in the following ways: Productions 4.67%, Media Placement 19.99%, Administrative Expenses 7.62%, Soliciting New Franchisees 0%, and Trade Shows 17.47%. Upon your written request, we will provide you an unaudited annual report of marketing expenditures within ninety (90) days of the end of each year.

Local Advertising - During your first 6 months of operation, you must spend at least 20% of your gross sales, or a minimum of $2,000 each month, whichever is greater, on approved local marketing. In addition, upon our request, you must submit an itemized report to us documenting proof of expenditures for local marketing in the form we may require. You may only use marketing materials supplied or approved by us (franchise agreement paragraph 5.3.2). After your first 6 months of operations, you must spend a minimum of $1,200 each month on local marketing. The full amount of your marketing allotment will be at your sole discretion although we highly recommend you continue marketing at the rate of 15% to 20% of your gross sales.

We may require you to list separately or participate in a combined listing in the Yellow Pages of your local telephone directory or other form of listing whether electronic or in print as we may specify. You and other participating franchisees will bear the cost of such listing(s) (franchise agreement section 10.8).

Marketing and promotional materials developed by us are available to all franchisees. An individual franchise is not limited in the amount or type of marketing that it may conduct in its territory, provided however, that all marketing materials developed by you must be approved in advance by us. Consequently, your gross sales may be directly affected by the amount, type and effectiveness of marketing conducted by you.

Although we may suggest prices for the services offered, you may offer and sell such services at any price you choose. Your gross sales may be directly affected by the pricing you charge.

The Internet - You may not create a website and/or a social networking site without our express written permission. If you receive permission for your own website from us, all content placed on the site must be pre-approved by us, in writing, and must strictly comply with the policies and procedures established by us regarding websites, social networking sites and internet marketing. We reserve the right to require you to use our website designer or a designated designer. Even if we give permission for a site, we reserve the right to not allow you to have the site in the future. If we give you permission to create a website or social networking site, you are required to provide us all usernames, passwords, account information and any other information related to any of your website, social media site, social network site accounts, or provide us with administrator access, immediately upon our request. We also reserve the exclusive right to sell Grout Doctor® products on our website. You may not sell any Grout Doctor® products on any site created by you or others without our express written permission.

There is currently no advertising council, which advises us on marketing policies.

Local Advertising Groups - We may require you to join a local marketing group that includes other franchisees in your market area. We will determine the market area. If we do, you must contribute to the local marketing group in accordance with the rules and regulations of the local marketing group. We may direct you or other franchisees to pay all or part of the required national marketing fees to the local marketing group. The membership, rules and regulations of a local marketing group, including how marketing fees are to be spent, will be determined by the local marketing group's member franchisees, but must be approved in advance by us. The local marketing group must operate based on written governing documents, and those documents will be available for review by franchisees. A local marketing group must provide unaudited quarterly financial reports to us, and those reports will be available for review by franchisees at our headquarters. We can require local marketing groups be changed, dissolved or merged. If a local marketing group is established in a market area, all company-owned Grout Doctor® franchise businesses operating in that market area, if any, will contribute to the local marketing group on the same basis as franchisees (franchise agreement section 10.2).

Computer and Technology Requirements

You are required to buy and maintain at your expense any computer system and software capable of accessing the internet and utilizing our Grout Doctor® Franchise Management Software (Sandstone) for use in your franchised business. You must also have a high-speed internet connection. The major required functions of this computer system are to utilize the Grout Doctor® Franchise Management Software (Sandstone), provide communication and submit required reports and information to us. Minimum system requirements are Windows 7 or higher with 1 gigabyte of Ram or the Macintosh equivalent. We estimate the cost of purchasing a computer system to fit these specifications to be approximately $500. We provide you with the Grout Doctor® Franchise Management Software (Sandstone) and make necessary upgrades to this software without additional cost to you. We may require you to upgrade your computer equipment at your cost, so it will accept and utilize the upgrades in the software we provide you. We estimate that the cost to upgrade your computer system would be approximately $500. However, you generally will not be required to upgrade your equipment more than once during the term of the franchise agreement. We are not required to maintain, repair, update and/or upgrade your POS or computer system. After 2016, we may also choose to charge a fee for the use of the software. We will have independent access to the contact information and data collected or generated by your computer and software systems. You must keep these systems available 24 hours a day, 7 days a week. There are no contractual limits on our rights to do so. You must maintain a valid e-mail address, known to us, during the entire term of your franchise agreement (franchise agreement paragraph 6.1.12)

In the future, we may require you to have a tablet or smart phone that is capable of running a mobile app for the system. If you do not have one, we estimate the cost of such a device to be between $250 and $700 depending on the brand or type of device.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, we reserve the right to approve of the vendor you use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse us for the audit if you are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, such as security threats, breaches, and malware. It is your responsibility to alert us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect customer data and notify relevant parties. You are not permitted to collect, store, transfer, etc. any unnecessary customer information [franchise agreement paragraph 6.1.12 (iii)].

Miscellaneous

Except as listed above, we do not need to provide any assistance to you; however, this provision does not prevent us from providing additional information or assistance.

We may approve exceptions to or changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to these variances or to obtain the same variance yourself. We may deny any or all of the above services to you while you are in breach of the franchise agreement or in default in the discharge of any of your obligations to us.

Initial Training

Your operating principal must successfully complete our initial training program. You may also bring one partner, spouse or employee to the training program at no additional fee to you. In the event you wish to bring more than one person, you must pay us a training fee for each additional attendee, currently $250 per person per day, and must schedule a separate training date. You must provide your own travel and lodging and food for the duration of the training program for you and your attendees. If you hire a manager to run your franchise business, the manager must be trained by us. Each manager hired after the initial training will be required to be trained by us and you must pay us the then current training fee and the cost of travel, lodging and food for the manager during training.

The "operating principal" is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind you in all dealings with us.

Attendance by your operating principal at the initial training is mandatory. We may require your operating principal to attend additional training if we determine he or she needs it. The initial training program will be scheduled by appointment. You must begin operating your franchise business within 30 days of successfully completing the initial training. Successful completion will be determined by our trainers and include demonstrating competence in several areas of running a Grout Doctor® franchise business. These may include knowledge of basic policies and procedures, demonstrated understanding of the system techniques and methods, tool and equipment maintenance, daily operations and record keeping.

The initial training will be approximately 64 hours over 5 to 8 days, with a mix of online training and hands on training at a location designated by us. We have various regional training locations for the hands-on training. We will attempt to schedule your hands-on training at a location nearest to you, but this may not be possible due to scheduling conflicts. The training is held at least one time per year but is scheduled with each new franchise sale. Your operating principal must attend and successfully complete the training and testing before the opening of your franchised business. The initial training will cover all aspects of the franchise operation including sales and marketing, local marketing, customer relations, job estimating, performance of required approved services, approved product information, measuring and restoration, trouble shooting, purchasing, accounting (banking, bookkeeping,

profit calculations, financial planning), time management, competition, applicable lien and contractor's laws, and required permits and licenses. Initial training will be comprised of both online classroom training and hands on training in the field. Your operating principal will be doing physical work at actual customers' locations. You will not be compensated for such work.

Training will include instruction manuals in the form of the operations manual and may include other handouts developed to facilitate training (franchise agreement paragraph 7.1.6).

The following table summarizes the 64-hour Grout Doctor® initial training program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
Introduction to the Grout Doctor	1.0		Online Classroom Training
Review of Franchise Agreement	.5		Online Classroom Training
Marketing and Marketing • Review all media • Review ad and other print materials • Review Competition • Review Personal Marketing Plan	2.0		Online Classroom Training
The Data Center • Overview • Services • Enrollment • Receiving and Returning Calls	.75		Online Classroom Training
Customer Service • Overview • Returning Calls – Preparing for the Estimate • Job Site Regulations • Handling Customer Complaints • Customer Service Policy • Customer Surveys • Respecting Customer Property • Job Preparation • Completing the Job • Post Job Clean-up	2.0	3.0	Online Classroom Training and Hands On Training at Customer Locations
Estimating • Overview and Tips • Sample Estimates • Estimate Writing and Presenting • Commercial Estimating • Pricing Guides		3.5	Online Classroom Training and Hands On Training at Customer Locations

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
• Follow up Program			
Record Keeping • Overview • Types of Records • Income • Expenses • Profit and Loss • Grout Doctor Franchise Management Software	2.0		Online Classroom Training
Reporting and Compliance • Overview • Royalty and Other Payments • Royalty Report • Recap Report • Sales and Revenue Reports • Lead and Efficacy Report • Insurance • GDGF Policy Review	0.75		Online Classroom Training
Franchisee Support System • Overview • Your Personal Support Team • Maximizing Your Support • Review of Intranet Site, Product and Wearables ordering sites • Review of Print Center	.50		Online Classroom Training
Expanding Your Business • Overview • Employees • Subcontractors • Commercial Jobs	0.25		Online Classroom Training
Tools and Supplies • Overview • Grout Doctor® Products • Purchasing • Storage • Care and Maintenance		2.0	Online Classroom Training and Hands On Training at Retail Stores
Safety • Safety Issues • Review MSDS Sheets	0.75	2.0	Online Classroom Training and Hands On Training at Customer Locations
Products and Material and Tools • Purchasing • Storage		1.5	Online Classroom Training

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
• Care and Maintenance			
Identifying Types of Tile • Ceramic • Pavers • Porcelain • Mosaic • Marble and Granite • Other Stone		1.5	Hands On Training at Customer Locations
Re-Grouting • Grout Removal • Grout Mixing including Additives • Color Matching • Grout Installation		8.0	Hands On Training at Customer Locations
Re-Caulking • Tubs and Showers • Counter Tops • Sinks • Floor Beads		4.0	Hands on Training at Customer Locations
Grout Repair • Grout Removal • Color Matching • Re-installation of Grout		1.0	Hands on Training at Customer Locations
Wall Repair • Identifying Need • Tile and Grout Removal • Wall Repair • Re-installation of Tile and Grout		1.5	Hands On Training at Customer Locations
Basic Natural Stone/Saltillo • Surface Preparation, Cleaning, Stripping • Sealing		2.0	Hands On Training at Customer Locations
Cleaning/Sealing and Staining • Surface Preparation • Sealing • Color Selection • Staining		4.5	Hands On Training at Customer Locations
Installation of Accessories • Soap Dishes • Towel Bars		1.5	Hands On Training at Customer Locations
Tile Replacement • Tile Removal • Tile Cutting • Surface Preparation • Installation of New or		2.0	Hands On Training at Customer Locations

Subject	Hours of Classroom Training	Hours of On-the- Job Training	Location
Existing Tile • Color Matching • Reinstallation of Grout			
Shower Doors • Removal • Replacement		1.0	Hands On Training at Customer Locations
Using Solid Surface Materials • Surface Preparation • Installation		1.0	Hands On Training at Customer Locations
EnduroShield Application	2.0		Hands On Training at Customer Locations
Final Testing Written and Practical	1.5	5.0	Online Classroom Review
Review of Pre and Post Training Tests Training Review	1.0		
Total Hours Classroom Training	15.00		
Total Hours On-The-Job Training		45.00	
Total Training Hours			64.00

Note 1: The location of the regional training will be determined by the trainer setting up the training schedule. Regional training may occur in Utah, Florida, Michigan North Carolina or Arizona. On the job training is typically performed at customer/vendor locations. Online classroom training will be at your home or another location of your choice.

Note 2: Our current regional trainers include JC Sneyd and Daniel Start, whose experience is set forth in Item 2. Other regional trainers may include Wayne Gregson (15 years experience), David Wegener (13 years experience), Larry White (16 years experience) and Remus Baesu (14 years experience). There may be other trainers, and in general, our trainers have experience in the industry either operating a Grout Doctor® franchise business or working in a related business and they will act as a mentor to you after you begin operating your franchise. Training assistance related to the office and software will also be provided by Julianna Ahrend (17 years experience) or Carin Bradley (4 years experience).

Note 3: After operating your franchise for at least 3 months, you may choose to offer supplemental services in connection with your franchise. We currently offer one supplemental service for you to provide to the public: Stone Restoration and Polishing. These optional services require additional training and certification from us. This training will normally be offered approximately three to six months after the opening of your franchise business. We reserve the right to offer this training to certain qualified franchisees sooner. You are not required to offer these services; however, you may not offer the services if you have not been certified by us. You must pay an additional $600 per person training fee for these sessions. (See Item 6.) Training sessions will be scheduled by appointment. If you hire a manager to run your franchise business, the manager must be trained by us. Each manager hired after the initial training will be required to be trained by us and you must pay us the current training fee and the cost of travel, lodging and meals for the manager during training. These supplemental services may require you to purchase additional equipment and supplies. Training in the supplemental services will be at an approved location. You must successfully complete the training and testing before offering the supplemental services. The training will cover theory, estimating, hands on experience, equipment, supplies and ordering. You may be doing physical work at actual customers' locations. You will not be compensated for such work.

ITEM 12
TERRITORY

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be negotiated prior to signing and described in the franchise agreement. The specific size of your territory is negotiable between you and us based upon the population density, the number of households in the territory, whether your territory is in a metropolitan or rural area and other comparable factors.

Your territory will be designated by a contiguous zip code list and will generally have a base of between 150,000 and 200,000 owner-occupied households. You will operate from one office location and we recommend that your Grout Doctor® location be your personal residence, as this approach will save you a substantial amount of money. You may, however, select a commercial office building, industrial office complex or business park facility as your Grout Doctor® location. We must review and approve, in writing, your selection of your Grout Doctor® location if it is other than your home. Before relocating your Grout Doctor® location at any time during the term of your agreement with Us, you must first notify us, and we must give our prior written approval, and pay a relocation fee of $1,000. The basis of our approval for you to relocate will be similar to our approval of your initial location.

You will be granted an exclusive territory in which you are authorized to offer and perform The Grout Doctor® services meaning that we will not establish another franchise, affiliate or company owned unit using the Grout Doctor® trademark within your territory.

You do not receive the right or option to acquire additional franchises.

We may approve exceptions to or changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to claim or object to such variance yourself.

We (or our affiliates) retain the right, in our sole discretion:

1) To ourselves operate, or to grant other persons the right to operate, The Grout Doctor® franchise businesses under our trademarks, trade names, logos, or other commercial symbols at such locations outside your territory, and on such terms and conditions, as we deem appropriate; and

2) As long as you remain in compliance with your franchise agreement, we will not operate locations or grant franchises for a Grout Doctor® franchise business within your territory. This means that we will not establish another franchise or affiliate unit using the trademark within your territory. However, other franchisees may engage in indirect marketing in areas that may include your territory and may accept referrals and unsolicited inquiries from customers within your territory, just as you may do outside of your territory. However, we either personally or through agents and representatives reserve the right to sell, market, and distribute products in your territory and elsewhere using the trademark through other channels of distribution including by direct mail, telemarketing, catalogs, infomercials, the Internet, via apps, social media site, general media marketing, retail stores and national business accounts both within and without your territory without compensation to you except as set forth below.

You must devote your marketing to customers solely in your territory, although you may accept business resulting from referrals or unsolicited inquiries from customers outside your territory. You may engage in indirect marketing in an area that includes but extends beyond your territory under certain conditions as stated in number 2 in the above paragraph. You may not solicit customers from outside your territory without our prior written approval. If you do solicit customers outside your territory, without our prior approval, we have the right to require you to send all of the revenues derived from those customers to the franchisee who has acquired the territory where those customers are located, or to us.

You may provide services only in your territory, except you may service customers in other areas under certain conditions, including referrals from customers, acquaintances and/or from your family and friends. In the case of cooperative marketing, only participants in the cooperative marketing will receive leads or referrals obtained through that source. If a local group marketing association is established, the association will establish rules for lead

or referral distribution. Other conditions that may exist will be determined on a customer-by-customer basis by us. There may be other franchisees or Grout Doctor® contractors who are located adjacent to or in close proximity to your territory. Such other franchisees or contractors may service customers within your territory under certain conditions, including referrals from customers and/or from their family and friends.

We have a line of Grout Doctor® products which are marketed and sold to the public through our website. You must actively market and sell the products to your customers. Every time a customer uses a code that represents you or a customer purchases the products from your territory without a code, you will receive between 20 – 40% of the sale. We keep track of the various purchases and send you your portion of the sale and an accounting of the products sold each quarter.

You may not sell The Grout Doctor® products from a website or social media site created by you or any third-party website or other method using the Internet except through the Grout Doctor® website unless you have received prior approval in writing from us. You may purchase these items at a discount and offer them for sale to the public except you may not sell them through the Internet. You will be responsible for any sales tax that may become due by selling these products directly to the public.

Continuation of your territorial rights does not depend on you achieving any specific level of sales volume, market penetration or other contingency. Your territory may not be altered except by mutual agreement.

Neither we nor an affiliate, operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise under a different trademark, but we reserve the right to do so in the future

ITEM 13
TRADEMARKS

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use other current or future trademarks in the operation of your franchise business as we designate. You will not at any time acquire any rights in the trademark. By trademark we mean our trade names, trademarks, commercial symbols, service marks and logos. The following trademarks listed below are registered with the United States Patent and Trademark Office on the Principal Register. All required affidavits and renewals have been filed. The principal trademarks to be employed in your franchise business are as follows:

Registration/ Serial Number	Word or Design Mark	Registry	Registration/ Filing Date	Status
2,395,447	THE GROUT DOCTOR®	Principal	October 17, 2000	Registered.
2,252,210	®	Principal	January 1, 2002	Registered.
4,631,956	PRETTY TILE, UGLY GROUT? ®		November 4, 2014	Registered.
3,572,338	WE CURE SICK GROUT®	Principal	February 10, 2009	Registered.

THE GROUT DOCTOR®

There are no presently effective determinations of the patent and trademark office, trademark trial and appeal board, the trademark administrator of this state or any court, nor are there any pending infringement, opposition or cancellation proceedings or any pending material litigation involving the trademarks which is relevant to their use in

this or any other state. There are no agreements currently in effect which significantly limit our rights to use or license the use of the trademarks.

There are no superior rights in or infringing uses of the trademarks actually known to us that could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in your territory.

You must use all trademarks in strict compliance with our policies and procedures manual and the Grout Doctor® system. You must modify or discontinue the use of a trademark at your cost, if we modify or discontinue it. You are prohibited from using any trademark as part of your corporate name or trade name. You cannot make application for registration or other protection of Grout Doctor® names or derivatives. You may only use the trademarks with the letters "™" or "℠" or "®" as appropriate. You are prohibited from using any trademark in the sale of any unauthorized product or service or in any manner not expressly authorized in writing by us. You are required to adhere fully and strictly to all security procedures required by us for maintaining the secrecy of proprietary information.

We have the right to require you to use new trademarks and to discontinue or modify your use of any name or commercial symbol. If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue use of any trademarks and/or use one or more additional or substitute trademarks or service marks, you must do so within a reasonable time after notice by us. In the event we require you to discontinue the use of any name or commercial symbol and to use a substitute mark or commercial symbol, you will bear the cost of complying with this obligation.

Under the franchise agreement, you acknowledge that your right to use the trademarks is derived solely from the franchise agreement and is limited to the conduct of your franchise business pursuant to and in compliance with the franchise agreement and all applicable standards and operating procedures prescribed by us periodically. Any unauthorized use of the trademarks by you constitutes an infringement of our rights in and to the trademarks. You agree that your use of the trademarks and any goodwill established belongs to us, and you acknowledge that the franchise agreement does not confer any goodwill or other interests in the trademarks upon you. You may not, at any time during the franchise agreement or after its termination or expiration, contest the validity of ownership of any of the trademarks or assist any others in contesting the validity or ownership of any of the trademarks.

You agree not to register the trademarks on the Internet or any other computer on-line service, and you must obtain our written approval before your use of the trademarks on the Internet or on-line service. You must display the trademarks prominently and in the manner prescribed by us on signs, forms, and other materials and articles. Further, you must give such notices of trademark or service mark ownership or registration as we specify and to obtain a fictitious or assumed name registration as may be required under applicable law. You may not use the name "The Grout Doctor®" or a derivative in your corporate or other formal name.

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademark. We will have the discretion to take the action we deem appropriate. We have the right to control any administrative proceedings or litigation involving the trademarks. We are not obligated to protect any rights that you have to use the trademarks, or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition, but with strict coordination and oversight by us and you may not act contrary to our rights in the trademarks.

You may not contest, directly or indirectly, our right and interest in our names or trademarks, trade secrets, methods, and procedures that are part of our business and agree to execute documents and assurances necessary to effectuate these provisions. Any goodwill associated with the trademarks or system belongs exclusively to us. We do not know of any infringing uses that could materially affect your use of the trademark.

We agree to indemnify you against and to reimburse you for all direct, but not consequential (including, but not limited to, loss of revenue and/or profits), damages for which you are held liable in any proceedings arising out of the use of any trademark pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

We have not registered the operations manual with the United States Copyright Office, but we claim copyright in the operations manual and our publication, "How to Get the Gold Out of Grout." We claim protected trade secrets and copyrights in our franchise system.

You can use the proprietary information in our operations manual as set forth in the franchise agreement. We have not registered the operations manual with the United States Copyright Office, but we claim a copyright and consider the information proprietary. The manual may not be copied. The operations manual must be returned to us or permanently deleted by you upon termination of your franchise agreement. As mentioned above, portions of the system are trade secrets or confidential and proprietary to us. You must also promptly tell us when you learn about unauthorized use of this manual and any other proprietary information. We are not obligated to take any action but will respond to this information as we believe appropriate. If applicable, we have the right to control any administrative proceedings or litigation. We are not required to defend or indemnify you for any damages from a proceeding based on copyright. You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, in our reasonable discretion.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us, (b) disclose this information to your employees or your contractors only as needed to market our products and provide the Grout Doctor® services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

We claim other copyrights in sales literature, and marketing materials, which we, or our franchisees, develop for our use and for use by our franchisees. Your use of these materials will be limited to the uses designated by us.

There are no agreements currently in effect that significantly limit our rights to use or license the copyrighted materials in any manner material to the Grout Doctor® franchise. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state where the Grout Doctor® franchise is to be located. We are not obligated under any agreement to protect or defend the copyrights.

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

Your operating principal must personally participate in the operation of the franchise business but need not manage the business full time. We require direct supervision by your operating principal or your designated manager who must be certified and trained by us to manage The Grout Doctor® franchise business. We recommend your operating principal personally supervise. You, your operating principal, your manager, and employees must keep free from competing enterprises. Your operating principal is not required to work a certain or minimum number of hours. However, your operating principal must work sufficient hours to operate your franchise business at maximum capacity and efficiency.

Your operating principal must attend the initial training program unless he or she has been previously trained by us. Your manager must attend the training program and be certified as mentioned above. Any future operating principal and manager must also be trained by us as described in Item 11 before they can manage your franchise business.

You must understand clearly that the risks, financial and otherwise, which are inherent with the beginning of any new business, are yours alone. We, as a matter of policy, will not assist you in any decision-making process which may affect your business operations. The success or failure of your franchise business is for the most part

dependent on your efforts. Purchase of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing grout and tile maintenance and repair business. Your managers do not need to have an ownership interest in your franchise business. You and your principal employees, however, will be required to sign a standard confidentiality agreement to protect and keep confidential our trade secrets and confidential information described in Item 14 and to conform with the covenants not to compete described in Item 17 (see franchise agreement exhibits A-3 and A-4).

If you, as a franchisee, consist of two or more individuals, each individual will be jointly and severally liable. We reserve the right to require franchises owned by more than one individual franchisee to form an entity to act as one franchisee with each individual personally guaranteeing the performance of the entity. Any individual who owns a 5% or greater interest in the franchise business must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement (franchise agreement paragraph 6.4.1).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may provide only those products and services specified and approved by us in writing. No service or product or other item may be added to, discontinued, or included or performed by your franchise business unless it is first approved by us in writing. You must offer all services and products required by us. We reserve the right to add, modify, or delete products, items and services that you will be required to offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all of The Grout Doctor® services and products. (See Item 8).

There are no limits on the customers you may service, except as described in Item 12, under territorial restrictions.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.1	7 years. Not affected by any other agreements.
b. Renewal or extension of the term	Section 2.2	If you are in good standing, you can enter into a new successor franchise agreement for two additional terms of 7 years.
c. Requirements for franchisee to renew or extend	Section 2.2	Not be in default, pay successor franchise fee of $500, sign a new franchise agreement that may have materially different terms and conditions than your previous agreement.
d. Termination by franchisee	Section 11.4	You may not terminate.
e. Termination by franchisor without cause	Not Applicable	We must have cause to terminate the franchise agreement.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
f. Termination by franchisor with cause	Section 11.1	We can terminate only if you are in default of any agreement with us.
g. "Cause" defined – curable defaults	Paragraphs 11.1 A-N	You have 5 days to cure monetary defaults, and 5 to 30 days to cure all other defaults listed in the franchise agreement.
h. "Cause" defined - non-curable defaults	Paragraphs 11.1 O-BB	Failure to open franchised business within 90 days of signing franchise agreement, failure to complete initial training, abandonment, conviction of felony, creation of a threat to public health or safety, insolvency or bankruptcy, trademark misuse and repeated defaults (even if cured) or other defaults listed in the franchise agreement.
i. Franchisee's obligations on termination/ non-renewal	Section 12.1	Pay outstanding amounts, complete de-identification, return confidential information, turn over telephone number and customer list, covenant not to compete, continuing obligations.
j. Assignment of contract by franchisor	Section 14.1	No restrictions on our right to assign including merging with, acquisition by, or sale to a competing business.
k. "Transfer" by franchisee – defined	Section 14.2	Includes transfer of any interest in franchise agreement, assets or ownership change in Franchisee.
l. Franchisor approval of transfer by franchisee	Section 14.2	Franchise agreement: we have the right to approve all transfers, but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Sections 14.3-14.8	You are not in default, transferee qualifies, all obligations assumed by transferee, all amounts due us are paid, transferee completes training, transfer fee paid, transferee signs, at our sole discretion, either: (a) our assignment and assumption agreement or (b) our then-current franchise agreement, which may contain materially different terms than your franchise agreement, and a release is signed by you (see state specific addenda).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.9	We can match any offer for your franchise business within (60) days of written notice to us.
o. Franchisor's option to purchase franchisee's business	Section 13.1	Upon termination, we can buy your assets at fair market value.
p. Death or disability of franchisee	Section 14.10	We may operate your franchise business until a personal representative is approved and a new manager is trained or franchise must be assigned to an approved buyer within 160 days of death or disability. You must reimburse us our costs, plus 10% of gross sales, if we elect to manage your business.
q. Non-competition covenants during the term of the franchise	Section 16.1	No involvement in competing business anywhere.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Section 16.3-16.4	No competing business for 2 years within your former territory or within 50 miles of your territory or within 50 miles of any other The Grout Doctor® territory. (Including after assignment of franchise.) If you compete within this time period the non-competition period will be extended for the period of your competition plus 6 months.
s. Modification of the agreement	Section 20.11	All modifications to the franchise agreement must be in writing, but operations manual, and standards and specifications subject to change by us.
t. Integration/ merger clause	Section 20.10	Only the terms of franchise agreement are binding (subject to state law). All representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, no provision in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting, mediation and arbitration (see state specific addenda).
v. Choice of forum	Sections 17.2 and 19.2	Arbitration and mediation must be in Salt Lake County, Utah (subject to state law).
W. Choice of law	Sections 19.1 and 19.5	Utah law, the Federal Arbitration Act, and the United States Trademark Act apply (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Average Gross Sales of Franchises in 2017

This representation is an historic performance representation about subsets of our existing Franchises. This analysis sets forth average monthly and annual gross sales for 57 Franchised Grout Doctor® units located in the United States for the year ended December 31, 2017, based on sales as reported by the individual Standard and Non-Standard Franchises as defined below. 56 of the 57 were standard Franchises operating for more than two years. 1 of the 57 was a Non-Standard Franchise operating for more than two years. There were 19 Grout Doctor® units that were open for less than two years. The average monthly and annual gross sales provided below is solely for the 57 units that

were open in the United States and in continuous operation during the two-year period prior to December 31, 2017 based on the numbers they reported to us for determining Royalty payments due to us. The basis of accounting used by the Franchisees is determined by the individual Franchisee, but generally the Franchisees use cash basis accounting. You must estimate your own costs and expenses including, but not limited to, advertising, insurance, royalties, materials, vehicle maintenance, gas, wages, payroll taxes and professional fees.

Characteristics of the included Franchises may differ substantially from your Franchise depending on your experience, competition in your area, length of time the included Franchises have operated as compared to your Franchise, and the services provided by you as compared to the included Franchises. Because this Franchise is part of the service industry, your results are dependent upon your efforts. You are strongly urged to make an independent survey of the economic and market conditions and the price structure adopted by competing businesses in your area and the amount of revenue and expenses generated by those businesses and to consult your accountant, attorney or financial advisor.

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

STANDARD FRANCHISES[1, 3]

AVERAGE GROSS SALES AS REPORTED FROM THE 56 STANDARD GROUT DOCTOR® FRANCHISES OPERATING FROM JANUARY 2017 THROUGH DECEMBER 2017 AND WERE OPEN FOR TWO YEARS OR MORE WAS $12,157 per month or $145,884 per year. 22 of 56 or 39.29% of our reporting standard franchises attained or surpassed this average.

Standard Average Monthly Sales Level	Number	Percent
$12,001 or above	22	39.29%
$7,501 to $12,000	16	28.57%
$5,001 to $7500	9	16.07%
$5,000 or below	9	16.07%

MEDIAN GROSS SALES AS REPORTED FROM THE 56 STANDARD GROUT DOCTOR® FRANCHISES OPERATING FROM JANUARY 2017 THROUGH DECEMBER 2017 AND WERE OPEN FOR TWO YEARS OR MORE WAS $9,873 per month or $118,476 per year. 28 of 56 or 50.00% of our reporting standard franchises attained or surpassed this average.

Standard Median Monthly Sales Level	Number	Percent
$12,001 or above	22	39.29%
$7,501 to $12,000	13	23.21%
$5,001 to $7500	10	17.86%
$5,000 or below	11	19.64%

1. A Standard Franchise is defined by us as meeting all of the following criteria:

   a. The geographic location is such that a target of 150,000 owner occupied households is reasonably available.

   b. The demographics of the location meet our usual criteria.

   c. Franchisee operates their Grout Doctor® Franchise as a full-time business.

NON-STANDARD FRANCHISES[2, 3]

AVERAGE GROSS MONTHLY SALES AS REPORTED FROM THE 1 NON-STANDARD GROUT DOCTOR® FRANCHISE OPERATING FROM JANUARY 2017 THROUGH DECEMBER 2017 AND OPERATED TWO YEARS OR LONGER WAS $1,375 per month or $16,500 per year. 1 of 1 or 100.00% of our reporting non-standard franchises attained or surpassed this average.

Non-Standard Average Monthly Sales Level		
$2,501 and above	0	0.00%
$2,500 or below	1	100.00%

MEDIAN GROSS MONTHLY SALES AS REPORTED FROM THE 1 NON-STANDARD GROUT DOCTOR® FRANCHISE OPERATING FROM JANUARY 2017 THROUGH DECEMBER 2017 AND OPERATED TWO YEARS OR LONGER WAS $1,375 per month or $16,500 per year. 1 of 1 or 100.00% of our reporting non-standard franchises attained or surpassed this average.

Non-Standard Median Monthly Sales Level		
$2,501 and above	0	0.00%
$2,500 or below	1	100.00%

2. A Non-Standard Franchise is defined by us as meeting at least one of the following criteria:

a. The geographic location is such that a target of 150,000 owner occupied households is not reasonably available.
b. The demographics of the location do not meet our usual criteria but there is other evidence that the location is viable.
c. The Franchisee has declared their intent to operate their Grout Doctor® Franchise as a part-time business.

3. The average and median gross sales figures included in the above charts and additional statistics below are based on sales reports submitted to us by 56 Standard Franchisees open more than two years and 1 Non-Standard Franchisee open more than two years. The figures in the sales reports have not been audited and we have not undertaken to otherwise independently verify the accuracy of such information.

STANDARD[1] AND NON-STANDARD[2] FRANCHISES

The following table shows the number of jobs completed by Grout Doctors® and the average and median job prices between January 1, 2017 and December 31, 2017.

	Number of Jobs	Average Job Price	# of Grout Doctors	% Met or Exceeding Average
Standard	14,585	$560.15	56	44.64%
Non-Standard	44	$375.01	1	100.00%

	Number of Jobs	Median Job Price	# of Grout Doctors	% Met or Exceeding Median
Standard	14,585	$538.09	56	50.00%
Non-Standard	44	$375.01	1	100.00%

The information above was obtained from our Grout Doctor® Franchise Management Software as entered by each individual Grout Doctor® Franchisee. Every Grout Doctor® Franchisee is required to enter this information in the Franchise Management Software system. This represents the average and median of 56 Standard Franchisees and 1 Non-Standard Franchisees operating for two years or more as of December 31, 2017.

THE AVERAGE JOB PRICE FOR THE STANDARD 56 FRANCHISEES OPERATING 2 YEARS OR LONGER WAS $560.15. 25 of the 56 or 44.64% of reporting standard Franchisees attained or surpassed the stated result.

THE AVERAGE JOB PRICE FOR THE 1 NON-STANDARD FRANCHISE OPERATING WAS $375.01. 1 of the 1 or 100% of reporting non-standard Franchisees attained or surpassed the stated results.

THE MEDIAN JOB PRICE FOR THE STANDARD 56 FRANCHISEES OPERATING 2 YEARS OR LONGER WAS $538.09. 28 of the 56 or 50.00% of reporting standard Franchisees attained or surpassed the stated result.

THE MEDIAN JOB PRICE FOR THE 1 NON-STANDARD FRANCHISE OPERATING WAS $375.01. 1 of the 1 or 100% of reporting non-standard Franchisees attained or surpassed the stated results.

NOTE: Median job price determined using average job price due to limited reporting of specific job totals.

The annual average number of jobs completed by the 56 Standard Grout Doctor® Franchisees was 270. Of the 56 reporting standard Franchisees operating two years or longer, 24 of the 56 or 42.86% of standard Franchisees attained or surpassed the stated results. The annual average number of jobs completed by the 1 non-standard Franchisee operating was 44. Of the 1 reporting non-standard Franchisee, 1 of the 1 or 100% of non-standard Franchisees attained or surpassed the stated results.

The annual median number of jobs completed by the 56 Standard Grout Doctor® Franchisees was 250. Of the 56 reporting standard Franchisees operating two years or longer, 28 of the 56 or 50% of standard Franchisees attained or surpassed the stated results. The annual median number of jobs completed by the 1 non-standard Franchisee operating was 44. Of the 1 reporting non-standard Franchisee, 1 of the 1 or 100% of non-standard Franchisees attained or surpassed the stated results.

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

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

Other than the preceding financial performance representation, Grout Doctor Global Franchise Corp. does not make any financial performance representations. We also do not authorize our employees or representations to make any such representations either orally or in writing. However, if you are purchasing an existing outlet, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Regina Fischer at 2150 South 1300 East, Suite 500, Salt Lake City Utah 84106, 877-476-8800, the Federal Trade Commission and the appropriate state regulatory agency.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2015 TO 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	70	65	-5
	2016	65	65	0
	2017	65	72	+7
Company or Affiliate-Owned	2015	0	6	+6
	2016	6	5	-1
	2017	5	3	-2

Total Outlets	2015	70	71	+1
	2016	71	70	-1
	2017	70	75	+5

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
For Years 2015 to 2017

STATE	YEAR	NUMBER OF TRANSFERS
Alaska	2015	0
	2016	0
	2017	1
Arizona	2015	0
	2016	0
	2017	0
California	2015	0
	2016	0
	2017	0
Colorado	2015	0
	2016	0
	2017	0
Connecticut	2015	0
	2016	0
	2017	0
Florida	2015	0
	2016	2
	2017	1
Georgia	2015	1
	2016	0
	2017	0
Hawaii	2015	0
	2016	0
	2017	0
Idaho	2015	0
	2016	0
	2017	0
Illinois	2015	0
	2016	0
	2017	0
Indiana	2015	0
	2016	0
	2017	0
Iowa	2015	0
	2016	0
	2017	0
Kentucky	2015	0
	2016	0
	2017	0
Massachusetts	2015	0
	2016	0
	2017	0
Michigan	2015	0

Table No. 2 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) For Years 2015 to 2017		
STATE	YEAR	NUMBER OF TRANSFERS
	2016	0
	2017	0
Minnesota	2015	0
	2016	0
	2017	0
Missouri	2015	0
	2016	0
	2017	1
Nebraska	2015	0
	2016	0
	2017	0
Nevada	2015	0
	2016	0
	2017	0
New Mexico	2015	0
	2016	0
	2017	0
New York	2015	0
	2016	0
	2017	0
North Carolina	2015	0
	2016	0
	2017	0
Ohio	2015	0
	2016	0
	2017	0
Oregon	2015	0
	2016	0
	2017	0
South Carolina	2015	0
	2016	0
	2017	1
Tennessee	2015	0
	2016	0
	2017	0
Texas	2015	4
	2016	0
	2017	0
Utah	2015	0
	2016	0
	2017	0
Virginia	2015	0
	2016	0
	2017	1
Washington	2015	0
	2016	0
	2017	0
Wisconsin	2015	0

Table No. 2 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) For Years 2015 to 2017		
STATE	YEAR	NUMBER OF TRANSFERS
	2016	0
	2017	0
Total	2015	5
	2015	2
	2017	5

Table No. 3 STATUS OF FRANCHISED OUTLETS For Years 2015 to 2017								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Alaska	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Arizona	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
California	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	1	3
	2017	3	0	0	0	0	0	3
Colorado	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
Connecticut	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Florida	2015	11	0	0	0	0	2	9
	2016	9	1	2	0	0	0	9
	2017	8	0	0	0	0	0	8
Georgia	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Hawaii	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Idaho	2015	1	0	0	0	0	1	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Illinois	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
	2017	5	0	0	0	0	0	5
Indiana	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kentucky	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years 2015 to 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
	2017	1	0	0	0	0	0	1
Massachusetts	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Michigan	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Minnesota	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Missouri	2015	2	0	0	0	0	0	2
	2016	2	0	1	0	0	0	1
	2017	1	0	0	0	0	0	1
Nebraska	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
New Mexico	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
New York	2015	2	0	1	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
N. Carolina	2015	2	0	1	0	0	0	1
	2016	1	1	0	0	0	0	1
	2017	2	0	0	0	0	0	2
Ohio	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
Oklahoma	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Oregon	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
S. Carolina	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
Tennessee	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
Texas	2015	8	1	0	0	0	0	9
	2016	9	0	0	0	0	0	9
	2017	9	2	0	0	0	0	11
Utah	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Virginia	2015	2	1	0	0	0	2	1
	2016	1	1	0	0	0	0	2

Table No. 3 STATUS OF FRANCHISED OUTLETS For Years 2015 to 2017								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
	2017	2	1	0	0	0	0	3
Washington	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Wisconsin	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Total	2015	70	2	2	0	0	5	65
	2016	65	4	1	0	0	3	65
	2017	65	7	0	0	0	0	72

Table No. 4 STATUS OF COMPANY-OWNED OUTLETS For Years 2015 to 2017							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Total	2015	0	6	0	0	0	6
	2016	6	1	0	2	0	5
	2017	5	0	0	1	1	3

Table No. 5 PROJECTED OPENINGS AS OF DECEMBER 31, 2017			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Alaska	0	0	0
Arizona	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Florida	0	1	0

Table No. 5 PROJECTED OPENINGS AS OF DECEMBER 31, 2017			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Georgia	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	1	0
Iowa	0	0	0
Kentucky	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Missouri	0	0	0
Nebraska	0	0	0
Nevada	0	1	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
South Carolina	0	1	0
Tennessee	0	0	0
Texas	0	1	0
Utah	0	1	0
Virginia	0	1	0
Washington	0	0	0
Wisconsin	0	0	0
Total	0	7	0

Exhibit "G" contains a list of our current franchisees, licensees and affiliate-owned units. Exhibit "G" also contains a list of franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2017, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

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

We do not know of any trademark specific franchisee organizations associated with our franchise system required to be disclosed in this item.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit "B" are our audited Balance Sheet dated December 31, 2017, 2065, 2015 and related Statement of Operations, Cash Flows and Stockholders' Equity for January 1 through December 31 of 2017, 2016 and 2015. Our fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

We have attached the following: As Exhibit "A," the Franchise Agreement and its Exhibits; as Exhibit "E," the Release Agreement; and as Exhibit "I," the GDD Enrollment Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23
RECEIPTS

The last 2 pages of this disclosure document are a receipt, in duplicate, which is an acknowledgment that you have received this disclosure document. This receipt should be returned to us. Please sign and date the receipt and return one copy to us and keep the other for your records. You may return the signed and dated receipt either mailing it to us at 2150 S. 1300 E., Suite 500, Salt Lake City, Utah 84106, or by faxing it to us at (877) 615-2173.

EXHIBIT A
TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

By and Between

Grout Doctor Global Franchise Corp.

and

_____

(Franchisee)

THE GROUT DOCTOR®
FRANCHISE AGREEMENT

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Exhibits

A-1	Territory
A-2	Company Representations and Warranties
A-3	Principal Confidentiality and Non-Competition Agreement
A-4	Employee Confidentiality and Non-Competition Agreement
A-5	Approved Grout Doctor Services
A-6	New Franchisee Start-Up Package
A-7	ACH Agreement
A-8	State Specific Addenda to the Franchise Agreement

Grout Doctor®
FRANCHISE AGREEMENT
(_____)

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and made effective as of the _____ day of _____, 20__, by and between Grout Doctor Global Franchise Corp., a Nevada corporation (hereinafter referred as "Franchisor" and at times as "We," "Us" or "Our" as further defined in Article XXI below) and _____, LLC/Inc. (hereinafter referred to individually and collectively as "Franchisee" and at times as "You" or "Your" as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a mobile service franchise business known as The Grout Doctor®, offering to the public residential and commercial grout, tile and stone cleaning, sealing, re-coloring, repair, re-grouting and re-caulking and related repair and maintenance services and may also include and other supplemental services, and other related products and services as more fully set forth on Exhibit "A-5" attached hereto and by reference made a part hereof (hereinafter "Franchise Business" or "Grout Doctor® Business"). The system Includes, the Franchise Business, specific Marks, standards, Manuals, operating procedures, marketing concepts, cooperative buying, business format, specifications for certain equipment, the sale of products, and supply items and the use of confidential information (herein at times the "System" and at times the "Grout Doctor® System"); and

WHEREAS, We will provide You with Our confidential Manuals and other materials as created by Us; and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System developed by Us; and

WHEREAS, You declare You have had a copy of the Grout Doctor® Franchise Disclosure Document for at least 14 calendar days or 10 business days, whichever is applicable, prior to signing this Agreement or making any payment to Us; and

WHEREAS, You declare that You have fully investigated and familiarized Yourself with the essential aspects and purposes of the Franchise Business and System and have been advised by counsel chosen by You of the terms and conditions of this Agreement and agree that Your consistent and uniform presentation of the System and Franchise Business are essential; and

WHEREAS, Article XXI contains certain definitions which apply to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I
AWARD OF FRANCHISE

1.1 Award of Franchise and Territory. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-transferrable, non-sublicenseable personal right to establish and conduct a Franchise Business as a Franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within Your territory as set forth on Exhibit "A-1" attached hereto and by reference made a part hereof (hereinafter referred to as the

"Territory"). You agree to operate Your Franchise Business out of a specific office location (which may be Your home) within the Territory ("Office Location") approved by Us in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals. Your territorial rights are exactly, and only, as expressly set forth in this Agreement.

1.1.1 Except as set forth in Section 1.3 below, We will not establish or operate a traditional company-owned outlet, or grant to any person or entity a franchise within the Territory using the same or similar System as that licensed by this Agreement.

1.1.2 Your Territory will consist of approximately _____ owner occupied households.

1.1.3 You may provide services to customers solely in Your Territory, although You may accept business resulting from referrals or unsolicited inquiries from customers outside Your Territory in accordance with the guidelines set forth in the Operations Manual which may be revised from time to time by Us. You will provide services in Your Territory, but may service customers in other areas under certain conditions Including, referrals from customers, acquaintances and/or from Your family and friends as more fully set forth in Our Operations Manual. You may engage in Indirect Marketing in an area that includes but extends beyond Your Territory under certain conditions. You may not solicit customers from outside Your Territory without our prior written approval. If You do solicit customers outside Your Territory, without our prior approval, then we have the right to require You to send all of the revenues derived from those customers to the franchisee who has acquired the territory where those customers are located, or to us**.** If a group marketing association is established, the association will establish rules for lead or referral distribution. Other conditions that may exist will be determined on a customer-by-customer basis by us.

1.1.4 If You want to relocate Your Franchise Business or Territory, You must first obtain Our approval in writing and pay Us a relocation fee of $1,000. We will designate Your new Territory and You will be required to pay for each additional household in the new Territory at the discounted rate of $0.04.

1.1.5 If approved by Us, You may purchase additional areas or franchises at a discounted rate of $0.04 for each additional owner-occupied household in the new or amended Territory. You will not receive a new startup kit or additional training at the time of such purchase, but we may require You to attend additional training at Our then current rate as set forth in the Operations Manual.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business. You must utilize the Marks and System to operate all aspects of Your Franchise Business in accordance with the methods and systems developed and prescribed from time to time by Us, all of which are a part of the System.

1.3 Franchisor Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. Nothing contained herein will prevent Us from granting the right to establish or operate, or Us establishing, owning and operating a Franchise Business or similar operation outside of the Territory. Furthermore, We and Our affiliates expressly reserve the right to sell, market and distribute all products in Your Territory and elsewhere using other marketing strategies and distribution channels Including, but not limited to, catalog sales, direct sales, and the sales to and through stores, grocery stores, convenience stores, wholesale outlets, the Internet, and/or co-branding with others without compensation to You. Except as expressly authorized in Our Operations Manual, You may not sell Our products and/or services using such reserved marketing strategies and distribution channels without Our prior written permission. You expressly acknowledge and agree that this license is non-exclusive, and that We retain

among other rights, the right, in Our sole discretion: 1) to grant other franchises or licenses for Our trademarks in addition to those already granted to existing franchisees; 2) to develop and establish other franchises or licensed systems for the same or similar products or services utilizing the same or similar marks, or any other marks and to grant franchises or licenses thereto; or 3) to use the licensed Marks in connection with the manufacture and sale of products at wholesale and at retail.

1.4 Entity Franchisee. If You are operating as a partnership, corporation, or limited liability company, You must designate the principal contact (the "Operating Principal") in connection with Your Franchise Business. This principal contact must be a general partner, manager or controlling shareholder, and must be listed on Exhibit "A-2." Such representative will have the authority to speak for and bind You in all matters pertaining to this Agreement, and Your Franchise Business. You agree not to use Our Marks name nor any other name similar thereto in the name of any corporation, partnership or other entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, You are required to file a DBA as set forth in Section 3.9 below.

1.5 Restriction of Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business within the Territory and will not extend to the operation of a Franchise Business or any other use of the System outside Your Territory or in any other manner, except as may be allowed by this Agreement. You acknowledge that We have the sole rights in and to the System and that Your rights to use any of the System is granted by Us solely pursuant to the terms of this Agreement.

1.6 Franchisor Mergers & Acquisitions. You agree that the System needs to have the flexibility to combine with other businesses that may be in the same or similar industry or otherwise. Such combinations have the potential to work to the benefit of all members of the System as a whole. Therefore, notwithstanding anything to the contrary in this Agreement or otherwise, You agree that We can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses whether competitive or not, with retail or other facilities located anywhere, and Including, arrangements in which (1) the retail or other facilities are, or are not, converted to the System or other format or brand (Including, using the System or Marks), or (2) the System is converted to another format or brand, maintained under the Franchise System or a different system. You agree to fully cooperate with any such proposed merger and conversion at Your expense.

ARTICLE II
TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of seven (7) years, unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement, and fail to do so, this Agreement will remain in effect from month to month until We have given the required notice.

2.2 Successor Franchise. If You are not in default of the terms and conditions hereof and have: (1) complied with and timely met material terms and conditions of this Agreement throughout the initial term; (2) complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; (3) timely paid all monetary obligations owed to Us during the term of this Agreement; and (4) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business, You have the right to be awarded a successor franchise ("Successor Franchise") upon the expiration of the original term for an additional term of seven (7) years by giving Us written notice by certified mail, personal delivery, or email with a confirmed delivery and read receipt at least one hundred eighty (180) days and not more than

one (1) year prior to the expiration date of the term hereof. You may also be awarded an additional successor term of seven (7) years upon expiration of the first Successor Franchise term as provided above for a total of twenty-one (21) years counting the original and Successor Franchise terms. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to elect a Successor Franchise for any reason but continue to operate Your Franchise Business, at Our election You will be deemed to have renewed the Agreement on a month-to-month basis and You agree that You will be required to abide by Our then current fees for royalty, marketing and others as set out in the Manuals. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30-day prior written notice to You for any reason whatsoever. You do not have the right to terminate Your month-to-month franchise agreement.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in any Successor Franchise Agreement, which date will supersede, said Successor Franchise term Including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. If We, after receipt of Your notice of election, decide for good cause, not to approve the Successor Franchise, We will give You such notice of non-approval as required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You will be required to execute Our then-current form of successor franchise agreement ("Successor Franchise Agreement") Including, personal guarantees and to sign a general release of all claims against Us arising from this Agreement, the relationship created herein or Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing fees at the then existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within ninety (90) days prior to the expiration of the then-current term, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement and this Agreement will terminate at the expiration of the term then in effect. **It is acknowledged by You that the form of the Successor Franchise Agreement in effect at the time may contain economic, royalty, marketing and other fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including, terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Fee. If approved for a Successor Franchise, You will pay to Us a non-refundable Successor Franchise fee of five hundred dollars ($500), payable in full at the time of execution of the first Successor Franchise Agreement. You will be obligated to pay royalties, marketing fees and other continuing fees charged by Us at the then existing levels required to be paid by and under the policies established for new franchisees. In addition to the signing of the then current form of Our Successor Franchise Agreement, You acknowledge and agree that We can require You, at Your expense, to reasonably update Your Franchise Business to the extent and in the manner reasonably specified by Us to conform with and bring it up to the standards and image of new franchises being opened and/or licensed by Us at the time the Successor Franchise takes effect.

2.2.5 Successor Franchise Training. You and Your manager(s) may be required to attend and successfully complete any training, certification and other programs at such times and locations as We specify. You will pay the expense of travel, meals, lodging, and other related costs for such training.

ARTICLE III
INTELLECTUAL PROPERTY

3.1 Intellectual Property. You acknowledge that We and Our affiliates have the sole right to license, own and control the Marks, System, and all copyrights, confidential information, trade names, trade dress and other Intellectual Property and that such will remain under Our sole and exclusive ownership and control.

3.2 Use of Intellectual Property. You have a non-exclusive right to use the Marks and other Intellectual Property only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of the Intellectual Property, System, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, You will not: (1) directly or indirectly contest nor aid in contesting the validity of Our ownership of the Intellectual Property; nor (2) in any manner interfere with or attempt to prohibit Our use of the Intellectual Property and derivatives thereof or any other name, trademark, or service mark that is or becomes a part of Our System; or (3) interfere with the use of the Intellectual Property by Our other franchisees or licensees at any time. You agree to use the Intellectual Property and System only in connection with the operation of Your Franchise Business and only in the manner allowed by this Agreement and the operational standards established by Us from time to time, and only so long as You fully perform and comply with all of the conditions, terms and covenants of this Agreement and Our operations and policies and procedures We prescribe from time to time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us. You understand that, by agreement, several unrelated parties located in California have the right to use the name "The Grout Doctor" and some operate under a different agreement with different restrictions on the use of the Marks. You agree to use the Intellectual Property and System only in connection with the operation of Your Franchise Business and then only in the manner allowed by this Agreement and the operational standards established by Us, as modified by Us from time to time, and only so long as You fully perform and comply with all of the conditions, terms, and covenants of this Agreement and Our Policies and Procedures We prescribe from time to time.

3.4 Use of Marks. You will only use Our Marks licensed by this Agreement and only with the letters "TM", "SM" or "®", as appropriate and as instructed by Us, whenever and wherever such Marks are used. In addition, You will not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product or at any location not approved in writing by Us. You agree to not use the Marks in any manner that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You will not use the Marks on any inter-company documents to identify Your Franchise Business or entity (Including, employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees will be under Your entity name.

3.4.1 Cooperation. You agree to execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to fully cooperate with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You further agree to immediately notify Us as soon as You become aware of any infringement of the Marks or any part of the Intellectual Property.

3.4.2 Use in Marketing. You have the right to use the Marks to market only in the Territory. You are prohibited from using any licensed name or Marks in connection with the sale of any product or service not expressly authorized in the manuals or otherwise in writing by Us. All other use of the Marks in marketing must be with Our prior written approval as set forth in this Agreement and in the Manuals.

3.4.3 Modification of Marks. You agree that We have the right, in Our reasonable discretion, to require You to change, modify or discontinue the Marks or to use one or more additional trademarks, service marks, logo types and/or other symbols in connection with the operation of the Franchise Business. In that event, You agree to bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You agree not to make application for registration or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivates therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.4.5 Compensation and Rebates. We reserve the right to require that all items and goods bearing Our Marks, other trademarks or service marks, or private label be purchased from Us or businesses designated or approved by Us. We may derive income through mark-ups on such items and goods, or We may receive a fee or other consideration from other suppliers.

3.4.6 Restricted Use of the Marks. The trademarks will be used only in connection with grout cleaning and restoration procedures, and other business, products and services as may be approved or specified in writing by Us and will at all times be used only in a manner approved by Us. The list of approved services is attached as Exhibit A-5 of this Agreement and by reference incorporated herein.

3.5 Copyrights. All right, title and interest in and to all materials, Including, all artwork and designs, created by Us, and used with the Marks or in association with the System ("Copyrighted Materials") are Our or Our affiliate's the sole and exclusive property. Additionally, all Copyrighted Materials whether created or used by You or any other person or entity retained or employed by You or Us are "works-made-for-hire" as defined in (the Copyright Act) Section 101 of Title 17 of the United States Code ("Works-for-Hire"), are Our sole and exclusive property, and We are entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. If the Copyrighted Materials are not Works-for-Hire or rights in the Copyrighted Materials or do not automatically accrue to Us, You agree to irrevocably transfer and assign to Us, Our successors and assigns, without compensation to You, the entire right, title, interest and ownership in the Copyrighted Materials in perpetuity throughout the world in and to any and all rights, Including, all copyrights and related rights, in these Copyrighted Materials, which You and the author of these Copyrighted Materials warrant and represent as being created by and wholly original with the author. You agree to execute any document necessary to effectuate the transfer and assignment. Where applicable, You agree to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Our rights in the Copyrighted Materials as required in this Section. To the extent You have any moral or similar rights in the advertisement, materials or derivative, You expressly waive those rights.

3.6 Manuals. You agree that the Manuals and other material provided to You by or through Us will remain Our sole property and must be returned to Us at Our discretion. You acknowledge that Our menus, formulations, product specifications and the contents of the Manuals provided to You by or through Us, and Your knowledge of Our formulations, processes, services, products, know-how and the System, are

secret, unique and confidential and contain trade secrets and other material proprietary to Us. You agree not to disclose the contents of the Manuals and proprietary items or materials set forth above, to unauthorized persons and to follow the procedures set forth in Section 3.10 below to prevent unauthorized disclosure to any person. Such disclosure would cause irreparable harm. You agree to return all Manuals and all copies of all or any parts thereof, and all other documents containing confidential or proprietary information to Us upon Termination of this Agreement or at such times as may otherwise be directed by Us. You agree not to copy or otherwise duplicate in any format Our Manuals or any other proprietary materials.

3.7 Sole Control. You agree that We will have the sole control over any legal or administrative action concerning the proprietary names and Marks and other Intellectual Property. You must promptly notify Us in writing of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of the Intellectual Property licensed hereunder in which We have an interest. In the event We undertake the defense or prosecution of any litigation pertaining to any such Intellectual Property, You agree to execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent, but You will not have the obligation, to undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us and You may not do any act or make any claim which is contrary to or in conflict with Our rights in the Intellectual Property.

3.8 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that You will use the same solely in the manner prescribed by Us and will carry out Your Franchise Business under such names and Marks in accordance with operational standards established by Us from time to time. Any and all goodwill associated with the Marks and System, Including, any goodwill, customers, and actual or potential customer data and lists ("Customer Data") that might be deemed to have arisen through Your activities is Our sole property and inure directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.8.1 Customer Data. You have a royalty-free non-exclusive right to use the Customer Data during the term of this Agreement. You must provide Us copies of all Customer Data upon request. You agree to abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and if We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You will be solely responsible to comply with the laws pertaining to the sending of emails, Including, the CAN-SPAM Act of 2003.

3.9 Use of Name. Within thirty (30) days of signing this Agreement, You must file for a certificate of assumed or fictitious name or DBA in the manner required by the law in the state where Your Franchise Business is located so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement, designating Your assigned franchise unit number in such filing. Failure to do so is a default of this Agreement. You will display a standard sign and/or plaque, as may be provided or required by Us, with Your Franchise Business indicating that the business is independently operated and owned as a franchised business.

3.10 Maintaining Secrecy. You agree to: (1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of proprietary information; (2) disclose such information to Your employees only to the extent necessary to market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; (3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and (4) exercise the highest degree of diligence and make every effort to maintain the absolute

confidentiality of all such information during and after the term of this Agreement. You agree that We have the sole rights to certain business know-how ("Know-How") pertaining to grout cleaning and restoration procedures and that no goodwill associated with any of the Know-How will inure to You. It is further agreed that the items of this Know-How constitute trade secrets of Ours which are revealed to You in confidence and You will not, at any time during the term of this Agreement or any time thereafter use or attempt to use the Know-How in connection with any other entity or business in which You have an interest, direct or indirect, nor will You disclose, duplicate, reveal, sell or sublicense the Know-How or any part thereof or any way transfer any rights in the Know-How except as authorized by Us.

3.11 Changes to the System. If You or We, during the term of this Agreement or any interim period, conceive or develop any improvements, changes, modifications, enhancements or additions to the System, Copyrighted Materials, Manuals, website or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System or any creative concepts, marketing and promotional ideas or inventions related to the System (collectively, the "Improvements") You will fully disclose the Improvements to Us, without disclosure of the Improvements to others, and will obtain Our written approval before using or implementing these Improvements. Any of these Improvements may be used by Us and all other franchisees without any obligation to compensate You. You will assign and do hereby assign to Us, all right, title and interest in and to the Improvements, Including, right to grant licenses for use of any of these Improvements. At Our discretion, We reserve the right to make application for and own Intellectual Property relating to any such Improvements, and You will cooperate with Us in securing these rights. We may also consider such Improvements as Our property and trade secrets. At Our discretion, We may authorize You to utilize any Improvements that may be developed by You, Us or other franchisees.

ARTICLE IV
VEHICLE AND COMMENCEMENT OF OPERATIONS

4.1 Base of Operation. You will generally operate Your Franchise Business from Your car, van or truck which is required to feature the Grout Doctor® Marks as required by Us in Our Operations Manual. You must have an approved Office Location.

4.1.1 Office Location Approval. We recommend that Your Office Location be located at Your home. If You have an Office Location other than Your home it must be approved by Us in writing and must be within Your Territory. However, it will be Your responsibility, at Your sole cost and expense to select Your Office Location within Your Territory. You must provide Us with the street address of proposed site and such other information as We request.

4.1.2 Competing Business. Your Office Location must not be used for any competing business without Our prior written consent.

4.2 Vehicle. You must use and approved vehicle for the operation of Your Franchise Business. You are required to follow Our specifications for vehicles and marketing on the exterior of Your vehicle, as set forth in Our Operations Manual, at Your cost. Each vehicle used in the operation of Your Franchise Business will display the approved colors and signage (truck wrap or vehicle magnets). Each vehicle used in the operation of Your Franchise Business must have approved wrap or vehicle magnets prior to using any such vehicle in association with Your Franchise Business, and in any event no later than thirty (30) days following the execution of this Agreement. If the vehicle wrap or magnet becomes damaged, disfigured, worn out, or otherwise ceases to properly portray the System and the franchise, You are required to repair, rewrap, or otherwise fix the wrap or magnet in accordance with Our System standards. You are responsible to ensure that these specifications conform to all applicable laws. You are solely

responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles. You must ensure that all vehicles used in association with Your Franchise Business are maintained in good condition and repair. If any vehicle suffers external damage, unreasonable wear and tear, or other damage You are responsible to correct such no later than thirty (30) days following any such damage or wear and tear. If You lose access or use of Your approved vehicle for any reason, or if Your approved vehicle ceases to meet Our standards, then You must correct any deficiency or secure a new approved vehicle no later than thirty (30) days following notice from Us.

4.3 Commencing Operations. You are required to commence operations within ninety (90) days following the signing of this Agreement.

4.3.1 Failure to Commence Operations. If You fail to commence operations as provided above, this Agreement is subject to termination by Us. You will not receive a refund.

4.4 Equipment. We provide You with all equipment necessary for the initial start of Your Franchise Business upon completion of training in Our initial start-up package. The start-up package includes the items specifically set forth on Exhibit "A-6" attached hereto and by reference made a part hereof. You are responsible for any damage caused to the start-up package after You receive it. Thereafter, You are required to provide by purchase or lease all inventory, vehicles, tools, and equipment as may be necessary for proper and efficient operation of Your Franchise Business and maintain such inventory, tools, vehicles and equipment in good working order.

4.5 Supplemental Services. We may offer training for supplemental services to be provided by You through Your Franchise Business. You must have operated Your Franchise Business for at least three (3) months before You request to be trained by Us to offer these supplemental services to the public. You must pay Our then current training fee for each person to be trained in these supplemental services and You must pay for Your travel, food and lodging during training. If You have a manager, other than You, he or she must also be trained in these supplemental services and pay the training fee. From time to time We may amend the supplemental services available to You. Providing supplemental services may require You to purchase or lease additional equipment or supplies.

4.6 Data Center System. We provide a data center voice mail and data entry system ("Data Center") which a message retrieval, distribution and data entry center, established for processing, distribution and entry into Your Grout Doctor Franchise Management Software of calls from prospective customers by zip code, insuring the integrity of Your Territory, Including, quality control for complaints, etc. You must utilize the Data Center and pay the current fee for this service. The fee must be received by the first day of each month for that month's service. We provide a local access number, Including, a listing in directory assistance, the white pages and the Yellow Pages, when possible. It will be a material breach of this Agreement in the event You conduct any marketing using any other telephone number. The only exception We allow is if You need to use tracking phone numbers for some services and We approve such tracking numbers and/or services prior to use, in writing.

ARTICLE V
FEES AND REPORTS

5.1 Initial Franchise Fee. An initial franchise fee of $_____ for _____ owner occupied households in Your Territory is payable to Us in one lump sum by cashier's check at the time of execution of this Agreement. The initial franchise fee is fully earned by Us and is non-refundable except as set forth in 5.1.1 below. No rights or privileges under this Agreement must exist until the initial fee is paid in full.

5.1.1 Limited Refund. In the limited event that You fail to satisfactorily complete the training and testing required by Us to operate Your Franchise Business to Our reasonable satisfaction at Our sole discretion, We will be deemed to have reasonable cause to terminate this Agreement according to Section 11 hereof. Upon this termination, the initial portion of the Franchise fee, less $6,675 for Our sales efforts and less any actual out-of-pocket expenses incurred by Us in connection with the Franchise, will be returned to You.

5.2 Royalty. You must pay a Us non-refundable on-going monthly royalty as follows, or a minimum payment of $0.00383 per household, whichever is greater:

9% of Your Gross Sales if Your Gross Sales are from $0 to $8,000
8% of Your Gross Sales if Your Gross Sales are $8,001 to $12,000
7% of Your Gross Sales if Your Gross Sales are $12,001 to $15,000
6% of Your Gross Sales if Your Gross Sales are $15,001 or greater.

The maximum monthly royalty is $0.0075 per owner occupied household in Your Territory.

The royalty is in consideration of Your right to use the Intellectual Property and the System in accordance with this Agreement, and not in exchange for any specific services We render. We reserve the right to collect this fee weekly in the future.

5.2.1 Royalty Deferment. Notwithstanding anything to the contrary contained in this Agreement, You are not required to pay the Royalty for the first month You are open for operation. Your royalty will be reduced by fifty percent (50%) for the following two (2) months. You will be required to pay the full royalty amount each month thereafter. The monthly Royalty for Your second month after opening of the Franchise Business will be due on the 5th day of the following month. If You begin operation on any day subsequent to the first day of the month, the Royalty will be prorated based on the number of days You are in operation during this partial calendar month.

5.2.2 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of royalties, You agree to allow Us to modify which sales of products, goods or services sold or rendered by You will be calculated as "Gross Sales." In no event will the modification of royalties result in Your payment in excess of the royalty set forth above in this Section 5.2.

5.3 Marketing Fees.

5.3.1 Marketing Fund. In addition to the initial franchise fee and royalty, You will pay Us a monthly marketing fee of three percent (3%) of Your Gross Sales for Our marketing and promotion programs. The marketing fund fees are deposited into a separate bank account specifically designated for Our Marketing activities.

5.3.2 Local Marketing. You must also spend a minimum sum equal to twenty percent (20%) of Your monthly Gross Sales or $2,000 per month, whichever is greater, on local marketing enhancing the reputation of Your services on a local level during the first six (6) months of the operation of the Franchised Business. Upon completion of the first six (6) months, Your marketing allotment will be at a minimum of $1,200 per month but we highly recommend that You continue marketing at the rate of 15% to 20% of Your gross sales. You must substantiate the minimum marketing outlays required supplying this information to Us as We may require it Including, tear sheets and paid marketing invoices. You may only use marketing materials approved by Us. We reserve the right to increase the minimum local marketing requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System.

5.3.3 Marketing Cooperative. In the event a local marketing co-op is formed, You will be required to contribute to the marketing co-op as established and assessed by the co-op. This contribution may vary in the timing of the assessment and according to the vote and rules of Your co-op, but will not exceed Your required annual local marketing amount in any single year, unless a majority of members in Your co-op vote to increase the contribution amount. Monies spent for co-op marketing, if any, may be counted in satisfying the above-referenced local marketing requirement.

5.3.4 Data Center Fee. You must pay Us a monthly Data Center fee the amount of which is set forth in the Operations Manual and may be adjusted from time to time by Us. This is payable by the 5th of each month for that month's service. This is a required fee, You may not opt out of this service.

5.3.5 Technology Fee. We may impose a technology fee for the software and other technology that we implement in the system. We do not currently charge for this fee, but we reserve the right to impose this fee upon 30 days notice to You. If implemented, the fee may be used for the costs and maintenance of the software and other technology Including, payment to employees.

5.4 Calculation and Reporting. The calculation, reporting and payment of the royalty and marketing fee specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Gross Sales Report. You must submit to Us via Your Grout Doctor® Franchise Management Software or other electronic reporting program We may establish from time to time, not later than the last day of the month, a report of the financial activity of the that month showing all monies received or accrued, sales or other services performed and such other information concerning Your financial affairs as We may reasonably require. For purposes of this Agreement, such information must be referred to as the "Gross Sales Report." You agree to promptly provide such reports to Us as may be required by this Agreement, in the Manuals, which may be amended from time to time, or as may be otherwise reasonably required from time to time by Us. We reserve the right to require all reports to be submitted weekly in the future.

(i) Data Entry. You are required to stay current with the input of Your data entry into the Franchise Management software. You must enter Your data not less than weekly and on the last day of each month. You must also send a completion report to us on the last day of each month representing that all invoices and receipts have been recorded. Failure to send the completion report will result in us drafting the maximum royalty due under Your franchise agreement.

5.4.2 Payment Due Date. All royalty, marketing, data center, and all other fees must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the royalty and marketing fees as shown and calculated on the Gross Sales Report will be due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account ("Operating Account" is defined as that account into which all receipts must be deposited) on or before the 5th day of the month for the previous month's Gross Sales (the "Due Date"). You will sign those documents as may be required by Us to permit Us to withdraw from Your general operating checking account the amounts due to Us. We reserve the right to require weekly payment of all royalty, marketing, and other fees in the future. You agree not to have more than one Operating Account. We may require that all reports and payments be submitted electronically. If We implement such a program You will participate in and comply with the program.

5.4.3 Late Fees. If the required royalty, marketing, or other fees are not timely received by Us as set forth above, an assessment of five percent (5%) of the fees due are added to the amount owed.

In addition, as fees are not paid and reports are not received, there are progressive late fees charged daily to You as set forth in our Manuals. These fines are due within ten (10) days notice to You, and the amounts may be adjusted by Us from time-to-time in the Manuals.

5.4.4 Interest. In addition, all royalty, marketing, fees and or other fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise which exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.5 Taxes. If there is hereafter assessed any nature of sales tax or use tax or other tax on royalties or marketing fees or other sums previously or hereafter received by Us under this Agreement ("New Tax"), then in addition to all royalties, marketing fees and other payments to be made by You as provided in this Agreement, You must also pay Us or the taxing authority, a sum equal to the amount of such New Tax. Any New Tax paid to Us will be paid when due to the taxing authority.

5.5 Financial Statements. You must submit to Us within ninety (90) days after the end of each calendar year during the term of this Agreement, a complete financial statement for the preceding calendar year, Including, profit and loss statement and balance sheet. The financial statement and accompanying documents do not need to be audited unless specifically requested by Us, at Our discretion.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, will have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You agree to keep complete and accurate books and records of the operation of Your Franchise Business.

5.5.2 Audit of Books and Records. In the event that any audit or investigation discloses a deficiency of two percent (2%) or more of the Gross Sales in the computation or payment of the royalty or marketing fee due Us, You must immediately pay Us the amount of the deficiency, the appropriate fee for late charges, and You must reimburse Us for the total expense of the audit or investigation, Including, the charges for the accountant and the travel expenses, room, board and other costs incurred in connection with the audit. Your failure to report Gross Sales for any time period or Your failure to retain and have required records available in an organized and readable format will be deemed an understatement by more than two percent (2%).

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for royalties, marketing fees, franchise fees, purchases, lat fees, interest or otherwise.

5.7 No Refunds. The royalty fees, marketing fees and other fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Customer Complaints. If We handle a customer complaint against You, You must pay Us a fine of Seventy-Five dollars ($75.00) per incident, plus You must reimburse Our costs to resolve the matter, if applicable.

ARTICLE VI
FRANCHISEE'S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements and covenants set forth in this Agreement, You agree as follows:

6.1.1 Compliance with Applicable Laws. You will comply with all local, state, and federal applicable laws and regulations in connection with the operating of Your Franchise Business. These Include obtaining business licenses, contractor licenses and permits. You are solely responsible for ensuring compliance with the American's with Disabilities Act, the Patriot Act, OSHA, environmental laws, workers' compensation laws, the Affordable Care Act, and all other applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You agree to obtain all required permits and licenses for the operation of Your Franchise Business. You agree to indemnify and hold Us harmless from any such violation or non-compliance. We have not made and You have not relied on any representation that no licenses, or only certain licenses, etc., are necessary in connection with the operation of Your Franchise Business. You agree to not engage in any activity or practice which results, or may reasonably be anticipated to result, in any public criticism of Our System or any part thereof.

6.1.2 Appearance and Customer Service. You must establish and maintain all vehicles used in association with Your Franchise Business and the Premises in good repair and in a clean and attractive manner, wear the required uniform designated by Us, carry proper identification and give prompt, courteous and efficient service to the public and otherwise operate Your Franchise Business in strict compliance with Our System and policies, practices and procedures contained in the Manuals or as otherwise communicated to You in writing and promulgated or provided to You from time to time so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark or other brand-related standards that We may require, and/or otherwise identify themselves with the Marks at all times in the manner We specify while on a job for the Franchise Business. If You do not follow the standards of Our System, as determined by Us, You may receive a fine or charge as provided in the Operations Manual, and if uncured as provided herein this Agreement may be terminated at Our discretion. You may not alter, change or modify the System in any way without Our prior written consent and approval.

6.1.3 Signage. You must have at least one vehicle wrap or magnetic vehicle sign displaying Our Marks. In addition, You agree to have the number of additional signs as provided in Our Operations Manual or other Manuals. All signs to be used on, or in or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You agree to maintain all signs in good condition and to undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary.

6.1.4 Training. Your Operating Principal and Your managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program prior to commencing operations of Your Franchise Business. The training program is described in Paragraph 7.1.6. In addition, You are required to implement any training programs related to brand and trademark quality control that We designate for Your employees in accordance with Our Operations Manual and You must attend and complete other training programs as may be specified by Us from time to time for which a fee may be charged.

6.1.5 Other Agreements. You agree to execute all other agreements required under this Agreement and to provide Us with a copy within fifteen (15) days of execution.

6.1.6 Management. Your Operating Principal is required to personally participate in the operation of Your Franchise Business. However, Your Franchise Business may be managed by either Your Operating Principal or a designated manager who will be required to devote his or her full time, attention and best efforts to the management and operation of Your Franchise Business. You must disclose the identity of Your designated manager to Us and You must immediately notify Us in writing if Your designated manager is no longer acting in such capacity. You agree to devote primary attention to Your Franchise Business. Your Operating Principal and Your designated manager must successfully complete and pass Our initial training program before assuming management responsibilities. You must maintain sufficient inventory, supplies and products and employ adequate personnel so as to operate Your Franchise Business at its maximum capacity and efficiency. You and Your manager must keep free from any conflicting or competing enterprises or any other activities, which would be detrimental to or interfere with the operation of Your Franchise Business. You understand and agree that this Agreement is granted based on Your commitment to Your Franchise Business. The possible success of Your Franchise Business is largely a function of the time, skill and energy You devote to it. Absentee management may significantly increase the risks associated with Your Franchise Business.

6.1.7 Operational Hours. Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must work sufficient hours and employ adequate personnel to operate Your Franchise Business or supervise Your manager so that Your Franchise Business is operating at maximum capacity and efficiency.

6.1.8 Remodel and Upgrades. At Your expense, You agree to modernize, upgrade or otherwise refurbish Your vehicle from time to time as We may reasonably direct, but not more often than every five (5) years (except for required changes to the Marks that We may require at any time) to conform to the design, color schemes and presentation of trade dress consistent with Our then current public image, except for required changes to Trademarks, which may be made at any time and in any frequency. The purpose of upgrades is to ensure that all Our franchisees and franchise businesses may have a uniform look and appearance.

6.1.9 Your Employees. You are solely responsible for the hiring, firing, training, managing and determining compensation and benefits for Your employees. We do not assist You in the hiring, firing, management, or other employment decisions regarding Your employees, or in creating any policies or terms and conditions related to the management of Your employees or their employment. The only training assistance We provide is the training of Your managers as part of the initial training.

6.1.10 Insurance. You must at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment or payments the following minimum insurance policies, obtained from a company rated "A" or better by A.M. Best & Company, Inc., which minimums may be adjusted from time to time: (a) comprehensive general liability insurance, Including, contractual liability, broad form of property damage, products liability with amounts of $1,000,000 combined single limit $1,000,000 bodily injury, and $1,000,000 property damage; (b) commercial automobile liability insurance for both owned and non-owned vehicles used in Your Franchise Business with deductibles not to exceed $1,000 but in no instance less than $100,000/$300,000/$50,000 or a minimum combined single limit of not less than $250,000; (c) fire, theft, windstorm and extended coverage insuring Your inventory, equipment, and personal property, for the full replacement value; (d) Bailee's insurance covering the value of any and all customers goods in Your possession; and (e) workers compensation as required by Your state laws. These policy amounts are required minimums. You must also maintain and keep in force all

insurance on Your employees that is required under all federal and state laws. You should consult with Your insurance agent to see if You may need additional coverage or higher limits for Your Franchise Business.

(i) Policy Requirements. These policies will insure both You and Us and Our nominees as additional insureds, without regard to any other insurance program which We may have in effect, against any liability which may accrue against them by reason of the ownership, maintenance or operation of Your business licensed by this Agreement wherever it may be located. Said policies will stipulate that prior to cancellation, termination or modification, We will receive a thirty (30) day written notice of such event. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment within thirty (30) days of issuance thereof. In the event You fail to obtain insurance and keep the same in full force and effect, We may replace such insurance at Our discretion and You will pay Us upon demand the premium cost thereof. Notwithstanding the foregoing, Your failure to obtain said insurance constitutes a material breach of this Agreement, entitling Us to terminate this Agreement. You will also procure and pay for all other insurance required by state or federal law, including, without limitation, worker's compensation insurance. We may raise insurance limit requirements by written notification or amendment to Our Operations Manual.

6.1.11 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including, the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including, the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. You cannot advertise, market or promote (whether by telephone, printed or electronic materials, or any other media, Including, Social Media) prices lower than, or inconsistent with, Our suggested prices outside of Your Franchise Business. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.12 Computer and Software. At Your expense, You must purchase or lease the computer system and other computer hardware and software systems designated by Us in strict accordance with Our specifications as they evolve over time. You must have a computer system compatible with accessing the internet and a high-speed internet connection. Currently the minimum system requirements are Windows 7 or higher with 1 gigabyte of Ram or the Macintosh equivalents. We reserve the right to change these requirements in the future. We provide You with Grout Doctor Franchise Management Software without additional cost to You, but we reserve the right to charge a monthly or annual fee for the software in the future. If in the future We adopt a different computer system, or other system for the System, You must adopt it at Your expense. You must modify and upgrade, or change, at Your sole expense, Your computer system, hardware and software as We direct in writing from time-to-time. You must provide Us full 24-hour 7 day a week access, Including, online access, and the right to "upload" or "download" information to and from all POS, computer and other systems and to the information and data contained in them. You agree that You will not make any claim against Us or Our affiliates for any loss, damage, liability or expense caused by or related to failures, errors or otherwise of any computer hardware or software system. There is no contractual limitation on Our right to receive information through Your computer or other systems. You will use any software We designate from time to time. There is no contractual limitation on Our right to access or receive information on or through Your computer, POS or other systems. You must use any hardware or software We designate from time to time.

(i) Retention of Records. You must record all sales at the time of the sale in the computer system using the software or other sales recordation system approved or designated by Us from time to time. You must have high speed, broadband Internet access at the levels required in the Manuals. You must retain all computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns, and financial reports for at least five (5) years following the end of the year in which the items pertain Including, after the Termination of this Agreement. You are required to follow our accounting procedures and line items as provided and updated in our Manuals.

(ii) Merchant Account. If established, at Your expense, You agree to participate in Our merchant account and other point of sale programs as set forth in Our Manuals. You must apply for and maintain debit card, credit card, and other non-cash payment system using the merchant account and merchant account services as set forth in Our Manuals.

(iii) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse us for the audit if you are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements Including, quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24-hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect customer data and notify relevant parties. You are not permitted to collect, store, transfer, etc. any unnecessary customer information.

(iv) Additional Technology. In the future, we may require You to have a tablet or smart phone that is capable of running a mobile app for the system.

6.1.13 Conferences and Seminars. In Our discretion, We may hold annual conferences or "franchise meetings" on a regional or national basis for all franchisees in good standing. These meetings will enable franchisees to come together to discuss improvements, new developments, mutual concerns and resolve business issues. The conference is mandatory for the first three (3) years You operate Your Franchise Business, thereafter You must attend at least every other year. The conferences may be held at various locations chosen by Us. In addition, We may charge a conference fee, and the cost of meals, lodging, employee salaries and travel to such meetings will be borne by You. We may conduct additional seminars and/or franchise meetings to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, marketing programs and merchandising procedures. You must pay for all Your travel and living expenses to attend.

6.1.14 Business Plan. You are required to provide to Us an initial business plan within sixty (60) days prior to the opening of Your Franchise Business. In addition, You are required to annually update Your business plan and submit the updated plan to Us within ninety (90) days after Your fiscal year end.

6.2 Quality Control.

6.2.1 Correction of Defects. Should We notify You at any time of defects, deficiencies or unsatisfactory conditions in the conduct of Your Franchise Business, You agree to immediately correct any such item or items. You agree to establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us. If You fail to do so, You may receive a fine or charge as provided in the Manuals, and this Agreement may be terminated if a non-curable default is discovered or defaults have occurred on multiple occasions as set forth in Article XI.

6.2.2 System Compliance. You agree to strictly follow Our System, the Manuals, systems, formulations, products, procedures, forms, services, and signs and other directives promulgated or provided by Us from time to time and to promptly implement changes in Your Franchise Business, and to act in good faith in all Franchise Business and System matters and dealings. In addition, the equipment, products and signs of Your Franchise Business must be purchased from sources designated or approved by Us and maintained in accordance with Our standards and specifications. We may approve exceptions or changes from the uniform standards which We, in Our sole discretion, believe necessary or desirable. You have no right to object to such variance or to obtain the same variance for Yourself. You must at all times maintain a valid email address, known and available to Us and frequently checked by You to facilitate Our communications with You. All mandatory specifications, standards, operating procedures, and System changes prescribed by Us from time-to-time in the Manuals or otherwise will constitute provisions of this Agreement as if fully set forth herein. We may deny any or all of the above services to You while You are in breach of this Agreement or in default in the discharge of any of Your obligations to Us.

(i) Incentive Program. If We adopt a loyalty, coupon, gift, or other discount or incentive program, You will be required to implement such program in Your Franchise Business, which may include access to a bank account, established by You, for card charges made at other franchise units.

(ii) Required Purchases. You must purchase all of the Grout Doctor® products, equipment, logoed and Grout Doctor® branded items and other items and supplies from sources designated or approved by Us. We will provide You with a list of specifications for approved products, equipment, supplies and materials. We currently have a line of products which are marketed and sold to the public through Our website. Every time a customer uses a code that represents You or a customer purchases the products from Your territory without a code, You will receive between 20 – 40% of the sale. We keep track of the various purchases and send You Your portion of the sale and an accounting of the products sold each quarter. You may not market these products through a website created by You or over the internet except through the Grout Doctor website. You may purchase these items at a discount and offer them for sale to the public except through the internet. You will be responsible for any sales tax that may become due by selling these products directly to the public.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, and operations Including, change of concept, products, services, specifications, standards, requirements, policies, operating procedures, equipment, software, methods, reports, forms and sales and marketing techniques. You agree to accept, comply with, be bound by, use, not object to, implement and display all such changes to the System or operations. You will make whatever expenditures are reasonably required to implement such changes or modifications. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operation costs. You must incorporate all such modifications within the time periods that We specify. We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement.

(iv) Inspections and Visits. You hereby consent to reasonable inspections and audits during normal business hours of Your Premises and/or service vehicles as set forth in Section 7.5 below.

(v) Non-Compliance. You will be subject to fines and charges as set forth from time to time in the Manuals, for non-compliance with Our mandatory policies and procedures. Such fines and charges are to be paid upon billing or in accordance with Our electronic funds, ACH or other automatic withdrawal program as developed.

(vi) Non-Contravention. You agree that You will not, at any time, undertake any action, either verbally or in writing, to circumvent, contravene, disparage or undermine the purposes of this Agreement, the System, Grout Doctor Global Franchise Corp, or its officers, owners, partners, directors, members, managers, representatives, agents or employees.

6.2.3 Compliance Monitoring Service. We reserve the right, from time to time, to evaluate the operation and quality of Your Franchise Business through the use of a compliance monitoring service provided by Us or a third party. We may use such service evaluations to inspect Your Franchise Business at any time at Our expense, without prior notification to You. We may make the results of any service evaluation We pay for available to You, in Our sole discretion. You are required to immediately pay all invoices for such services directly to the third-party provider.

6.3 Confidential and Non-Competition Agreements. You further agree to require Your owners, members, partners or shareholders and principal employees of Your Franchise Business to execute Our Standard Principal and Employee Confidential Information Non-Competition Agreements (attached as Exhibit "A-3" and "A-4" respectively) before performing any work or otherwise having access to Our proprietary information. A copy of all such agreements must be promptly delivered to Us within one (1) week of its execution. We do not represent that this form will be enforceable in Your state. You agree, at Your expense, to have this form reviewed by legal counsel in the state where Your Franchise Business is located.

6.4 Miscellaneous Obligations.

6.4.1 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, member, and owner managers respectively, who own five percent (5%) or greater interest, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement.

6.4.2 Drug Testing. We may require You and Your management employees to submit to random drug testing at the time and place We feel necessary to ensure Your compliance with Our policies regarding drug use in the System; however, We are under no obligation to perform such testing. You are required to provide Us a copy of all drug testing results within 30 days from the time You receive such test results.

6.4.3 Employees. You will hire and supervise efficient, competent, sober, drug-free, and courteous operators and employees for the operation of the business and set and pay their wages, commissions and incentives with no liability therefore on Us. No employee of Yours will be deemed to be an employee of Ours for any purpose(s) whatsoever. You must require all employees and contractors to sign agreements by which the employees and contractors may be bound by nondisclosure and non-

competition clauses in the form prescribed by Us, and to furnish Us a copy of each of these signed agreements within ten (10) days of hiring the respective employee.

6.5 Standards and Control. Any required standards exist to protect Our interest in the System and Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to You.

6.6 Required Notices. You are required to provide Us with prompt notice (within five (5) business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owning to any vendors, landlords, or amounts owing to employees or contractors.

ARTICLE VII
FRANCHISOR'S OPERATIONAL ASSISTANCE

7.1 Franchisor's Services. We agree to the following:

7.1.1 Design. Counsel You in the aspects of setting up Your Franchise Business. We will provide You with general specifications for signs, equipment and uniforms. You must meet Our standards and specifications unless waived in writing by Us.

7.1.2 Suppliers and Products. Provide You with a list of specifications and a list of approved or designated suppliers of products, equipment, software, all logoed items and other items.

7.1.3 Grand Opening Marketing. We pay an amount equivalent to 10% of Your Franchise Fee, for Your Grand Opening Marketing. If You purchase a Grout Doctor vehicle wrap from an approved supplier within 30 days from the opening of Your Grout Doctor Franchise Business, We will pay Four Hundred and Fifty dollars ($450) for a window wrap, Seven Hundred and Fifty dollars ($750) for a partial vehicle wrap and One Thousand dollars ($1,000) for a full vehicle wrap, to an approved supplier. No Grand Opening marketing will be provided nor will any amount be paid toward Your vehicle wrap when additional units are purchased.

7.1.4 Operations Assistance. We will furnish You with guidance relating to the general operation of Your Franchise Business and, upon reasonable request, make Ourselves available to consult with You by telephone, email, Skype, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. (However, for problems and training for Your equipment and warranty items, You must consult with the respective manufacturer or supplier of those items. We do not warrant any item). We are not required to provide in-person assistance to You. If You feel additional assistance is necessary (such as management training), We will provide such assistance to You based on advance notice, availability of personnel and Your payment of compensation at a rate of $300 per day, per person, or at such other rate as may be in effect at the time, plus the cost of food, travel and lodging incurred by Us. In addition, We may provide You with such continuing advisory assistance in the operation of Your Franchise Business.

7.1.5 Warranties. The respective manufacturers may replace defective equipment, products or software and other items purchased pursuant to the standard limited warranties of the manufacturer, and You agree to look to the manufacturer for any defective equipment, products or software. We do not manufacture any equipment, products or software and do not warrant any item.

7.1.6 Training. We will train Your Operating Principal in the various practices, policies and procedures of operation of Your Franchise Business in Our training program. This training includes

online classroom training, which will be at Your Operating Principal's home or another location accessible to the internet. Is also includes hands on training at one of our regional training locations as designated by Us. We will attempt to schedule Your Operating Principal's hands-on training at a regional location nearest to Your Operating Principal, but this may not be possible due to scheduling conflicts. Your Operating Principal and Your manager, if separate from Your Operating Principal, are required to attend the same training and successfully complete the training program prior to the opening of Your Franchise Business. The length of training is generally nine to ten (9-10) days but could be longer if Your Operating Principal or Your designated manager fails to successfully complete the training. You must begin operating Your Franchise Business within thirty (30) days of successful completion of the initial training by Your Operating Principal and Your manager. Successful completion will be determined by Our trainers but may include demonstrating knowledge of basic policies and procedures, services, job estimating, approved products, purchasing, measuring and restoration, trouble shooting, record keeping, computer software competency, marketing, marketing, and customer service. Training includes physically doing hands on work on jobs. Your Operating Principal must be able to perform such work and understand that neither You, nor any of Your attendees participating in the hands-on work will receive compensation for any such work he or she provides. The training instruction is provided by Us without charge to You for up to two (2) management and/or executive level persons; however, You must bear the cost of all travel, lodging, meals and all other living costs and expenses and salaries of Your attendees at the training session. Each person must attend the same training session. Additional persons to be trained will be at a cost of two hundred fifty dollars ($250) per person per day plus all expenses. If Your Operating Principal does not pass the initial training, as determined by Us, You may receive a refund as described in paragraph 5.1.1 above.

(i) We reserve the right to require continuing educational programs. We may conduct periodic meetings and seminars for our franchisees, which we may designate as mandatory or non-mandatory. You must attend any meetings and seminars we designate as mandatory, not to exceed one meeting or seminar per calendar year where travel is involved. At these meetings, new ideas and concepts can be exchanged, discussed and implemented. We may charge a fee to cover the costs of such meetings and seminars. In addition, You must pay all costs of travel, lodging and subsistence You or Your attendees incur in connection with such attendance.

7.1.7 Replacement Training. We may provide training for Your new Operating Principal and/or managers as required by Us at Our then current fee. Our current fee for such additional training at Our facility is two hundred fifty dollars ($250) per person per day to be trained. You must also bear the costs of travel, food, lodging and salaries of Your attendees in connection with this training. If required, Your new Operating Principal and/or new manager must be trained and certified within sixty (60) days of hire.

7.1.8 Inspections and Visits. We may conduct periodic evaluations and inspections of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, customer service and the standards and procedures set forth in the Manuals. Our inspections may Include Your Premises, vehicles, business records, operating procedures and reports, Including, all computer drives and electronic storage devices, POS system, reports, account records and tax records. Upon Our request and at all reasonable times, You will provide to Us (electronically or CD at Our election) digital video and/or images of the interior and exterior of Your Premises and business vehicles as set forth in the Manuals. We may provide You written reports with any suggested changes or improvements for the operation or management of Your Franchise Business or detail any defaults in operations which become evident as a result of any such evaluation or inspection. Fines and charges may be assessed for failure to meet Our evaluation or inspection standards in accordance with Our Manuals for such defaults, plus Our costs, or termination of this Agreement if a non-curable default is discovered, in Our sole discretion. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, bulletins or

other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business in conjunction with an inspection of Your Franchise Business. We have the right to communicate directly with Your manager and assistant manager concerning all matters of an operational nature.

7.1.9 Trade Show. We will, upon request, provide You with a backdrop signage, table skirt, one The Grout Doctor® lab coats and advisory assistance for trade show booths at trade shows. You must pay Us shipping and handling fees for these items. We reserve the right to require a refundable deposit for these items. It is Your sole responsibility to replace or pay Us for replacement of any damaged or missing Items.

ARTICLE VIII
PURCHASE OF PRODUCTS

8.1 Approved Products and Services. You agree to carry, stock and provide only those products, goods and services that meet Our specifications and/or that are purchased from approved suppliers in accordance with Our Manuals. You agree to promptly add, remove or modify any such product or service immediately upon notice from Us. You are prohibited from selling, leasing or offering any products or services not authorized by Us in writing.

8.2 Your Purchases. We or Our affiliates may derive revenue from the sale through mark-ups in prices We charge to You for goods and supplies purchased from Us or We may receive compensation or discounts from the supplier for Your purchase of such items. You agree that We Our affiliates will be individually and collectively entitled to such fees and/or other consideration or both. Any monies paid to Us for goods or services are non-refundable.

8.3 Unapproved Suppliers or Products. If You desire to purchase or sell any items from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, ingredient lists and other data to permit Us to ascertain whether any such items meet Our specifications. There is no refund of this testing fee whether or not the requested supplier, vendor or product is approved. We will notify You in writing and within a reasonable time as to whether such product, item, equipment or supplies meets Our specifications. You will be required to pay a testing fee of not less than $500 to cover Our reasonable costs and expenses of testing, whether or not the requested supplier, vendor, or product is approved. This fee is not refundable whether or not the requested supplier, vendor or product is approved. A supplier who is able to provide products, equipment, and/or supplies meeting Our specifications may, as determined in Our sole discretion, become an approved supplier for Your Franchise Business only or for the System as a whole. We may, from time to time, make changes or alterations in the standards and specifications for the above items and approved suppliers. Should We approve a new item, the rights in, and title to, such items will become Our property. At Our discretion, We may revoke Our approval of an approved supplier upon thirty (30) days written notice to You.

8.3.1 A new supplier must have: the ability to produce the products, services, supplies or equipment to meet both our standards and specifications for quality and uniformity; production and delivery capabilities and ability to meet supply commitments; integrity of ownership (to insure that its association with ours will not be inconsistent with the Grout Doctor® image or cause damage to the Grout Doctor® goodwill); financial stability; and the negotiation of a mutually satisfactory license to protect Our Intellectual Property.

ARTICLE IX
MANUALS

9.1 Manuals. We will loan You a copy of or allow electronic access to Our proprietary and confidential Manuals. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property and contain mandatory and suggested specifications, standards and procedures for the operation of Your Franchise Business. The Manuals may be used by You only in association with Your Grout Doctor® Franchise Business and only during the term of this Agreement. We have the right to update, modify and otherwise change the Manuals at Our sole discretion in order to maintain the goodwill associated with the System and the Marks. You will promptly and continuously comply, at Your expense, with all provisions of, and modifications or changes to the Manuals.

9.1.1 Modification. You will promptly and continuously comply, at Your expense, with all provisions of, and modifications or changes to the Manuals.

9.2 Standards and Procedures. We may establish, from time to time, performance procedures, standards and specifications for the operation of Your Franchise Business and the products and services provided, and which will become part of the Manuals and System. We may change or update these procedures, standards and specifications at Our discretion. You must strictly follow these procedures, standards and specifications. Failure to do so is grounds for termination of this Agreement.

ARTICLE X
MARKETING

10.1 Marketing Fund. You are required to contribute to Our national marketing and brand development fund (referred to as the "Marketing Fund") for such marketing or public relations programs as We, in Our sole discretion, may deem necessary or appropriate to advertise and promote the System. The fees for the Marketing Fund are listed in Paragraph 5.3.1. You understand that some franchisees may have different marketing fees or other obligations from those described in this Agreement.

10.1.1 Marketing Fund Administration. We will direct all such programs, with sole discretion over 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the marketing or public relation efforts; 3) the placement and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Marketing Fund can be operated through an entity separate from Us that has all rights and duties of Us relating to the Marketing Fund. We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We will not be liable for any act or omission with respect to the Marketing Fund or otherwise which is consistent with this Agreement or which is done in subjective good faith.

10.1.2 Marketing Fund Fees and Marketing. The Marketing Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Marketing Fund and any marketing, promotion and marketing efforts intended to benefit the System. We may use the Marketing Fund to offset a portion of direct costs to manage and maintain the Marketing Fund, Including, the payment of staff salaries and other expenses for those employees who may be involved in Marketing Fund activities. You will participate in all marketing programs instituted by the Marketing Fund or by Us. We may receive payment for providing goods or services to the Marketing Fund. The Marketing Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement and We disclaim any such relationship. We reserve the right to use fees from the Marketing Fund to place marketing in national or regional media

(Including, broadcast, print or other media). We are not required to spend any amount on marketing directly in Your area or Territory. Funds may be used to solicit additional franchisees and to promote the brand. Any unused marketing funds in any calendar year will be applied to the following years' fund. You may request an unaudited annual report of marketing expenditures within ninety (90) days of the end of each year.

10.1.3 Local Marketing Requirement. You are required to Market locally as set forth in Article V of this Agreement. In addition, and upon request, You must submit an itemized report to Us documenting proof of expenditures for local marketing in a form We may require.

10.2 Marketing Cooperative. At such time as We determine that there are a sufficient number of Grout Doctor® franchises in an Marketing Area (defined below), as designated by Us, We may form a local and/or regional marketing cooperative association covering such areas as We, in Our discretion, deem appropriate, and We may disburse such funds as We believe appropriate from the Marketing Fund to any such local and/or regional cooperative marketing associations for local and/or regional marketing. You agree to participate in any marketing co-op as established. The required contribution amount is listed in Article V of this Agreement. Once established, We will provide the governing documents and make them available to all franchisees within the cooperative area. Upon the formation of a local or regional cooperative marketing association, You will automatically be deemed to be a member of such association as covers the area in which Your Franchise Business is located and will be bound by any decisions made by such association upon a majority rule by members voting. Voting will be on the basis of one vote per franchise unit in good standing in such association. All franchisees and company and affiliate owned units, if any, within the Marketing Area will be required to join and contribute to the fund on the same basis or rate. The cost of marketing and promotional programs will be allocated among the members in the Marketing Area and each member will contribute equally to the local co-op fund based on a per franchise unit basis in the Marketing Area. "Marketing Area" is defined as a market with two (2) or more units in the same television, radio or newspaper market, as determined by Us. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time. In addition, and upon Our request, You must submit an itemized report to Us documenting proof of expenditures for local marketing in a form We may require. We reserve the right to increase the minimum local marketing requirement if We determine, in Our sole discretion, that to do so will be in the best interest of the System.

10.3 Sample Marketing. Upon Your reasonable request We will provide You samples of marketing and promotional materials developed by Us from time to time.

10.4 Promotional Materials. We may, at Our discretion and as available from time to time, send to You, promotional materials and bulletins, developed by Us or on Our behalf, new marketing developments and new or improved marketing techniques and which You agree to use in Your Franchise Business.

10.5 Approval of Marketing. You may develop Marketing and promotional materials and digital marketing programs for Your use at Your cost. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Marketing that has been submitted by verified receipt or submission will be deemed approved if You do not receive written approval or disapproval within ten (10) business days of the date We receive the submission. Any marketing You create or use, Including any apps or other similar media You create or have created for use by You and/or Your Franchise Business, becomes Our property and are considered Works-for-Hire, and can be used by Us or other franchisees without compensation to You and may be made available on Our website. We have the right to disapprove previously approved marketing material at any time.

10.5.1 Marketing Compliance. You agree that Your marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon Us and the Franchise System. You agree to submit to Us, prior to publication, copies of all marketing, promotional and public relations materials, proposed to be used by You, Including, any use of the Internet, digital or other electronic or Social Media along with a description of how it will be used, by what media published and such other information thereon as may be reasonably requested by Us. All use of the Internet, or other digital or electronic or Social Media by You in connection with Your Franchise Business will be specified by Us from time to time and We can prohibit or condition any use by You of the Internet, or other electronic or social media in Our discretion.

10.6 Internet and Social Media. You may not create a website, develop or use apps, or Social Media site, or similar electronic media whether now or later developed, or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks. You may not engage in marketing on the Internet, Including, posting items on third party re-sell or auction style websites, Including, eBay®, Craigslist, or Amazon.com, without Our prior written permission. If You receive permission from Us for Your own website, use or development of apps, or Social Media site from Us, all content placed on the site must be pre-approved by Us, in writing, and You may be required to use Our website designers to create the site for a fee. You may be allowed to place pre-approved information concerning Your Franchise Business on Our website and Social Media sites, as developed by Us. You are required to provide Us all usernames, passwords and account information and any other information related to any of Your websites and Social Media Site accounts, and/or provide Us with administrator access, immediately upon our request. You must strictly comply with the policies and procedures established by Us regarding websites, Social Media, and Internet marketing. Failure to comply with Our policies, procedures and Manuals is considered a breach of this Agreement.

10.7 Your Obligations to Market. We will work together to develop plans for growth, capturing market share and name recognition. Neither We nor You are restricted from marketing Your Franchise Business in the Territory. You may market only in Your Territory, and may use in Your marketing, only the telephone number designated by Us. It will be a material breach of this Agreement in the event You conduct any marketing using any other telephone number. Except for the rights expressly given to You there will be no limitation on Our rights to deal with potential or actual customers located anywhere.

10.8 Group Marketing. You will, if requested by Us, list separately or participate in a listing in the Yellow Pages of Your local telephone directory containing the copy as may reasonably be specified by Us. The cost of this listing will be paid by You, or by You and other participating franchisees in the case of a joint listing.

ARTICLE XI
BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach or violate and fail to cure (if curable) any material term, condition or provision of this Agreement in any respect or default in the performance or fulfillment of any material term or provision of this Agreement, Including, those breaches set forth herein below. Paragraphs 11.1A-O provide specified cure periods for certain breaches or defaults, while Paragraphs 11.1P-CC list non-curable breaches or defaults.

5-Day Cure Period:

A. Failure to Pay. You fail to pay for any product, service, or any franchise fee, royalty fee, purchase price, marketing fee, transfer fee, Successor Franchise fee or any other fee or amounts due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time period specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned. Failure to notify Us in writing, within a reasonable time period (10 days) prior to the due date of any fees, of any change in the Operating Account is a default of this Agreement.

B. Failure to Accurately Report. You fail to accurately report Your Gross Sales or fail to submit any reports or records required under this Agreement or the Manuals.

15-Day Cure Period:

C. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Grout Doctor Global Franchise Corp. as more fully set forth in paragraph 6.2.2(vi).

30-Day Cure Period:

D. Failure to Open or File DBA. You fail to open Your Franchise Business and commence operations within ninety (90) days of the date hereof or otherwise forfeit the right to transact Your Franchise Business or You fail to register the DBA or similar filing in the time period required under this Agreement.

E. Non-Compliance. You fail or refuse to maintain and operate Your Franchise Business in a good, clean and professional manner and in compliance with the System and Operations Manual, Our other Manuals or the standards of quality or uniformity otherwise prescribed by Us. This default includes, Your use of unauthorized phone numbers in connection with Your Franchise Business and Your failure to use the proscribed software.

R. Sale of Unauthorized Products/Services. You sell or use products, goods or services other than those approved or designated by Us or which fail to conform to the System and specifications or which are not in accordance with the methods or specifications prescribed by Us or You fail to sell the products and services designated by Us.

G. Failure to Transfer. Your heirs fail to affect an approved transfer within a reasonable time (not more than one hundred and sixty (160) days) following Your death or permanent incapacity (See Section 14.10).

H. Failure to Allow Inspection. You deny Us the right to conduct an audit of Your books and records, or to inspect Your Office Location or operations, or You fail to correct deficiencies noted by Us or otherwise fail to comply with any provision of Manuals.

I. Non-Promotion of Business. You fail to use Your best efforts in promoting and developing Your Franchise Business, You fail to Market as required under this Agreement, You fail to participate in an marketing cooperative when established by Us in Your area, or You fail to employ adequate personnel to operate Your Franchise Business at maximum capacity and efficiency.

J. Insurance. You fail to maintain insurance as provided herein.

K. Violation of Laws. You fail to comply with any material federal, state or local law or regulation applicable to the operation of Your Franchise Business or fail to pay when due, obligations of taxing authorities, landlords, and other obligations of Your Franchise Business.

L. Unauthorized Closure. Your Franchise Business is closed for a period of ten (10) or more consecutive days without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise Business Office Location without Our prior written approval.

M. Default Notice of Lease Agreement. You receive a notice of default under the lease agreement of the Office Location.

N. Failure to Complete Training. Your Operating Principal or Your designated manager fail to complete the initial training, or any other required trainings.

O. Other Breaches. Except as provided below, You fail to comply with any other provision of this Agreement or the Manuals.

No-Cure Period:

P. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors, or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

Q. Unauthorized Duplication. You duplicate the System or use the System or any part thereof in connection with any other business.

R. Repeated Breaches. You repeatedly breach (defined as three (3) or more times) the same or different conditions of this Agreement or the Manuals within any twelve (12) month period).

S. Unauthorized Use of Marks. You use any Mark or other proprietary or property right, either tangible or intangible, granted by this Agreement other than in connection with the operation of Your Franchise Business.

T. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety.

U. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business or You engage in conduct which reflects materially upon the operations and/or reputation of Your Franchise Business or the System in an adverse manner. Or You engage in conduct that reflects materially and unfavorably upon the operation or reputation of Us or the System.

V. Abandonment. You abandon Your Franchise Business or close the Franchise Business without Our prior authorization or consent.

W. Unauthorized Transfer. You attempt to Transfer (as defined in Article XVI below) all or any part of this Agreement, Your Franchise Business, or any material portion of the property

associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You attempt to purport to sublicense to another any of the rights, property licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

X. False Reporting. You knowingly or intentionally conceal revenues, maintain false books, or records or submit any false report or payment or otherwise defraud Us.

Y. Crimes. You or any of Your owners, officers, directors, members, managers or principals commits or is convicted of or pleads guilty or no contest to, a felony, a crime involving moral turpitude or any other crime, offense or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Our interest therein. You or Your owners, officers, directors, members, managers or principals make disparaging remarks against Us, Our parent, subsidiaries, predecessors or affiliates, Our management, Our employees, the System, or the Grout Doctor® brand to Our other franchisees or in a public forum, Including, radio, television, newspapers, the Internet, and Social Media Sites. Any such behavior will be damaging to Our System and goodwill and will be a material breach of this Agreement.

Z. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use the contents of the Manuals, trade secrets or confidential or proprietary information provided to You by Us in violation of this Agreement. You hire or attempt to hire any employee of Ours or any of Our franchisees without written permission.

AA. Default of Lease Agreement. Your lease agreement for the Office Location is terminated.

BB. Illegal Drug Use/Intoxication on the Job. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test. Additionally, You go to a job or provide services while intoxicated whether by use of illegal or legal drugs.

CC. Unauthorized Modification. You modify in any degree by adding to or taking from or changing the contents of any formulas, or other proprietary items as well as using any substitute products or procedures in violation of the Manuals or this Agreement.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may in writing demand adequate assurance of due performance and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within thirty (30) days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period.

11.2.1 5-Day Curable Defaults. If the default is curable as set forth in 11.1A-B above, You must cure all such defaults within five (5) days from the date of notice of default; or

11.2.2 15-Day Curable Defaults. If the default is curable as set forth in 11.1C above, You must cure all such defaults within fifteen (15) days from the date of notice of default; or

11.2.3 30-Day Curable Defaults. If the default is curable as set forth in 11.1 D-O above, You must cure all such defaults within thirty (30) days from the date of notice of default; or

11.2.4 No Cure Period Defaults. If the default is one which is incapable of cure as set forth in 11.1 P-CC above, termination is effective as of the date of the notice of default.

11.2.5 Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. Upon Your failure to cure any default within the time period specified in Paragraphs 11.2.1 and11.2.2 above, or if You commit a non-curable default as specified in 11.2.3 above, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including, penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate the balance of any outstanding installment obligation due hereunder and bring an action for the entire accelerated balance.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby, Including, (1) improper use of the Marks or System; (2) unauthorized assignment of this Agreement; (3) violation of the covenant not to compete; and/or (4) Your failure to meet or perform Your obligations upon Termination of this Agreement. If We secure an injunction or order of specific performance, You will pay all reasonable costs incurred by Us in obtaining the injunction, Including, reasonable attorney's fees.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such termination will be effective upon delivery of a notice of termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity.

11.3.5 Cross Default. In Our sole discretion, We may terminate any other agreement You or a related entity have with Us.

11.4 No Right of Termination. You may not terminate this Agreement.

11.5 Opportunity to Cure. Prior to taking any action against Us, You agree to first give Us sixty (60) days prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such sixty (60) day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You will give Us such additional time as is reasonably necessary to cure.

ARTICLE XII
TERMINATION

12.1 Upon Termination of this Agreement for any reason, You will immediately cease to be a franchisee of this Agreement for any reason, and must:

12.1.1 Payments Due. Immediately pay for all product purchases, royalty and marketing fees and other charges, fees and obligations owed or accrued to Us, Our affiliates or designated suppliers. In addition, You will be required to pay Us any post-term expenses, Including, attorney fees and costs to enforce Your post-term obligations.

12.1.2 Cease Use. Not hold Yourself out as a Grout Doctor® franchisee or business and immediately comply with the following: permanently and immediately cease to market or in any way use the System, Intellectual Property, materials, methods, procedures, processes and other commercial property and symbols, or promotional materials provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Disassociation. Take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including, the removal of signs, destruction of letterheads, changing of telephone listings, telephone numbers, Internet sites and web pages and the like and to assign and transfer the telephone listing, telephone numbers, e-mail addresses, URL's, home and other web pages and Social Media pages to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, and Social Media pages and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers.

12.1.4 Cancel DBA. Take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.5 Notify Suppliers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. You covenant not to use any of Our trade secrets or confidential or proprietary information or materials following the Termination of this Agreement and not to identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.6 Return Materials. Return to Us by first class prepaid United States Mail, (Including, originals and any copies) Our Manuals, all training, marketing and promotional aids and materials and all other printed materials and any other confidential information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.7 Modification of Vehicle. You will, at Your expense, alter, modify and change both the exterior and interior appearance of Your vehicle, to Our satisfaction, so that it will be easily distinguished from the standard or common appearance of a Grout Doctor® vehicle and will cease using the signs, displays, advertisements, promotional materials and the like that are unique or distinctive to the System.

12.1.8 Pay Damages. Pay to Us all costs, damages and expenses, Including, reasonable attorney's fees incurred by Us in obtaining injunctive or other relief to enforce any provision of this Agreement.

12.1.9 Proprietary Information. Cease using or availing Yourself of any of Our proprietary or confidential information, software, hardware or other proprietary technology.

12.1.10 General Release. Execute a general release by You and Your guarantors.

12.1.11 Customer Data and Information. You will turn over to Us, or Our designee a complete list of the names, addresses and telephone numbers of all of Your customers from the date Your Office Location was opened to the date of Termination, together with Your customer record file. You will give Us a list of all telephone numbers, facsimile numbers, and all extensions utilized by the business and within 30 days of receipt of this list We will notify You of Our election to either have said telephone numbers and service canceled or have it, or any part of it, transferred to Us or Our designee. You will take whatever steps are necessary to immediately comply with Our election. Costs associated with a transfer of the service to Us will be paid by You. You will turn over to Us, or Our designee, a complete list of the names and addresses of all persons employed by You during the three years immediately preceding Termination, together with a copy of their employment files.

12.1.12 Evidence of Compliance. Furnish evidence satisfactory to Us of compliance with this Article within thirty (30) calendar days after the Termination of this Agreement.

12.2 Upon Termination of this Agreement for any reason:

12.2.1 No Compensation. No payment is due to You from any source on account of any goodwill, intangible assets or other equity claimed by You arising from Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and in the future exclusively to Us.

12.2.2 No Refund. No fees, charges, royalties, marketing fees or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Intellectual Property or goodwill associated with the Franchise Business.

12.2.4 Payment to Customers. You must refund all customer gift card and gift certificate amounts as required under Your state's applicable laws. In the event We are required to pay any customer reimbursement amounts, You will be responsible to pay Us the reimbursement amount, plus a fee of one hundred dollars ($100) for Our time.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by their terms or implication apply following the Termination of this Agreement, will survive and will apply following Termination of this Agreement, Including, Your obligation to pay all amounts owed and You will continue to observe the confidentiality, non-competition and other restrictions of this Agreement and the provisions with respect to arbitration and dispute avoidance.

12.4 Our Rights. If You continue to operate Your Franchise Business or any business offering similar products and services, or use any of the Marks or any aspect of the System, after Termination of this Agreement, Our remedies will Include recovery of the greater of (a) all profits earned by You in the operation of Your business or similar business after such Termination; or (b) all royalties, marketing contributions and other amounts which would have been due if such Termination had not occurred.

12.5 Liquidated Damages for Non-Compliance; Payment of Our Costs in Securing Compliance. In the event You fail to comply promptly with any of Your obligations in this Article XIV: (a) You agree to pay Us two hundred and fifty dollars ($250) per day for each day that You are in default, as a reasonable estimate of the damages suffered by Us; and (b) to prevent further injury, We may hire a third-party or use Our own personnel to de-identify Your Premises and/or to carry out any other obligations on Your behalf. This liquidated damages obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XIV, its trademark rights, or the covenants to not compete.

12.5.1 In addition, You will pay to Us: (a) the amount of expenses reasonably incurred by Us to perform any obligation that You failed to perform, calculated on hourly rates of Our personnel, and time, travel, lodging, food and other expenses where applicable; and (b) all damages, costs and expenses, Including, attorneys' fees and costs incurred by Us in obtaining injunctive or other relief. We have the right to transfer from Your account by EFT or other electronic withdrawal means, a payment of ten thousand dollars ($10,000) in respect of the liquidated damages and expenses referred to in Section 12.4. Upon completion of de-identification of the Premises to Our reasonable satisfaction and payment of the expenses provided in this Section 12.5, We will refund to You any unused portion of the $10,000 remaining. If the $10,000 is insufficient to satisfy Your monetary obligations to Us, You will pay the balance owing within thirty (30) days of Our invoice to You.

ARTICLE XIII
PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your inventory, equipment, signs and accessories and other personal property relating to Your Franchise Business at the then existing fair market value of such item or items as of the date of Termination of this Agreement. If the fair market value is not agreed to by the parties, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within sixty (60) days of such Termination ("Option Period") by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to use Your assets and Premises during Our option and in such case, We will pay You the fair market value of such use. Unless otherwise agreed by You, the purchase price as determined hereunder must be paid within thirty (30) days of providing notice of Our intent to purchase. If We have not notified You of Our election to exercise this option within the Option Period it will be conclusively presumed that We have elected not to exercise Our option and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose.

13.1.2 Warranties. The purchase contract for such assets and contracts, as set forth in Paragraph 13.1.1 above, will Include standard representations, warranties, covenants and indemnities from You as to the assets and contracts being purchased, Including, warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

13.2 No Goodwill. We have no obligation to pay for goodwill or other intangible assets or costs of Your Franchise Business.

ARTICLE XIV
SALES OR TRANSFERS OF THE FRANCHISE

14.1 Our Right of Assignment. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold or We may sell any or all of Our Intellectual Property or other assets (Including, the Marks) to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the Franchise System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You will fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 No Assignment by You without Approval. This Agreement is personal as to You, and is being entered into in reliance upon and in consideration of Your qualifications and representations. Therefore, neither this Agreement nor any of its rights or privileges, nor any shares or units in the ownership of Your entity or Your Franchise Business may be Transferred (as defined below), or divided in any manner by You or anyone else unless Our prior written approval is obtained. You will provide Us with all documentation relating to the Transfer of Your Franchise Business. Said approval will not be unreasonably withheld, but may be conditioned upon Our satisfaction with the character, business experience and credit rating of the proposed transferee and its partners, members or officers and controlling stockholders, if it is a partnership, corporation or limited liability company. The term "Transfer" as used in this Article XIV and elsewhere where capitalized Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, mortgage or granting of any security interest.

14.2.1 Transfers to Competitors Prohibited. In order to maintain the confidentiality of the proprietary information of the System, You agree that as a condition to becoming Our Franchisee, You cannot Transfer any part of this Franchise Agreement or any part Your entity, if applicable, to a competitor of Ours or an affiliate of a competitor of Ours without Our written permission. Any such Transfer without Our explicit written approval will be considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including, the net worth, credit worthiness, background, training, personality, reputation, and business experience of the proposed transferee, the terms and conditions of the Transfer and any circumstances that would make the Transfer not in the best interests of Us or the Franchise System Including, the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer and You agree to indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 Application for Transfer. Upon any proposed Transfer of this Agreement, or any interest in it, You agree to submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of this Agreement or Your Franchise Business, You agree to pay to Us a Transfer fee of three thousand five hundred dollars ($3,500). The transfer fee is non-refundable, and is only payable at the time of the approved Transfer.

14.6 Permitted Transfers. If a proposed Transfer is only among existing owners of an entity controlled and owned not less than sixty percent (60%) by You, Including, Your current owners, there will be no transfer fee and, We will not be entitled to exercise Our right of first refusal. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that the Transfer thereof is subject to the restrictions of this Agreement. Any new owner with an ownership interest of five percent (5%) or more in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. You agree that using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited, unless We specifically consent to any such action in writing prior to the proposed transaction. You agree not to purport to grant a sub-franchise under this Agreement nor to otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer this Agreement or Your Franchise Business in whole or in part, or any material portion or property used by You in connection herewith, whether or not binding on Us, will be grounds for the immediate termination of this Agreement, unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of this Agreement or Your Franchise Business and as a condition for Our approval of any Transfer, You agree as follows:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted all required reports, financial statements and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with Your Franchise Business must be assumed by the transferee.

14.8.4 New Franchise Agreement. The transferee must sign the then-current form of the Franchise Agreement and fully upgrade the Franchise Business and Office Location to the level required of new franchisees.

14.8.5 Payment for Training. The transferee must pay for and complete the training program required of new franchisees. The cost of such training will be at Our standard rate for training new managers, plus the cost of travel, food and lodging for the trainers.

14.8.6 Transfer Fee. You must pay the transfer fee set forth in Section 14.5.

14.8.7 General Release. You and each of Your owners must execute a general release to releasing Us of any claims You may have against Us.

14.8.8 Receipt of FDD. The transferee must sign a document stating that it has received a copy of the franchise disclosure documents at least fourteen (14) days prior to closing and that We have made no representations, promises, or covenants concerning the past or future success of the franchise.

14.8.9 Survival of Covenants. Your non-competition, indemnity and confidentiality obligations and the provisions relating to dispute resolutions will survive any transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your assets, this Agreement, the Franchise Business or Your ownership interest in Your entity ("Assets") on such terms and conditions specified in a bona fide written offer from a third party, who would satisfy the criteria for approval under Section 14.3 other than a Transfer to an entity controlled and owned at least sixty percent (60%) by You. You agree to notify Us in writing of the terms and conditions of the Transfer, Including, the Assets proposed to be transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed sale or transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer, Including, any additional data concerning the transaction requested by Us from You, We will have sixty (60) days in which to advise You in writing of Our election to have the Assets Transferred, assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Assets proposed to be transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the transfer can be extended at Our option for up to thirty (30) days beyond the date originally indicated for the completion of the transfer in order to allow the completion of the transaction in a manner more convenient to Us. If You are a corporation or limited liability company, then the above right of first refusal provisions will apply to the transfer of control or forty percent (40%) or more of the shares of the corporation, or ownership or membership interest in the limited liability company from how they are currently owned. If Your Franchise Business is not sold to such third party within three (3) months after We elect not to purchase the Assets, You must re-offer the Assets to Us before You may Transfer to a third party. We have no obligation to purchase Your Assets.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under Section 14.8 above. However, if there are any material changes in the terms and conditions of the proposed Transfer after You notify Us of the proposed transfer, Including, any changes in the terms and conditions occurring after We notify You of Our election not to purchase the Assets pursuant to Our right of first refusal, and any of those changes are less favorable to You, You agree to notify Us of the changes in writing and We will have an additional ten (10) days within which to elect to purchase the Assets proposed to be Transferred on the revised terms and conditions. If the proposed Transfer is not completed for any reason after We elect not to purchase the Assets being Transferred, a new right of first refusal commences as to any subsequent proposed Transfers by You.

14.10 Death or Incapacity. In the event of the death or incapacity of an individual franchisee or general partner or manager of an entity franchise (the term "incapacity" means any physical or mental infirmity that prevents the person from performing his or her obligations under this Agreement: (i) for a period of sixty (60) or more consecutive days, or (ii) for one hundred (100) days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that

within a reasonable time (not more than one hundred and sixty (160) days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new managers and franchisees, Including, the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to transfer Your Franchise Business. If a decision to transfer is made, the transfer procedures explained above will apply. If We run Your Franchise Business for a time due to Your death, incapacity, unexcused absence or as otherwise allowed under this Agreement, We will charge an operation fee of ten percent (10%) of Your Gross Sales, plus Our costs of travel, food and lodging. In addition, You will continue to pay all royalties, marketing fees and other fees due under this Agreement.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse or a third party all or any part of Your interest in this Agreement or Your franchisee entity, and/or in any property related thereto, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the Grout Doctor® franchises outstanding or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any renewal or Successor term or goodwill. If the purchase option is exercised, You will execute a general release to Us. We will close Our purchase within sixty (60) days after You receive notice of intention to exercise Our right or as soon thereafter as reasonably practical.

ARTICLE XV
RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, joint employer, or joint venturer with Us and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are responsible for the management and control of Your Franchise Business, Including, its daily operations, managing and directing employees and sales persons and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense Including, attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party will act or have the authority to act as agent for the other and neither You nor We will guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You agree to post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You agree to defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including, reasonable attorney's fees arising out of or related to, or in any way connected with You or Your acts, errors or omissions in the operation of Your Franchise Business or Your Franchise Business generally. and Including, any allegation that You are Our employee, or that We are a joint employer or otherwise

responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. We will have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI
COVENANT NOT TO COMPETE

16.1 In Term Covenants. You and We share in a common interest in avoiding situations where persons or companies who are or have been Grout Doctor® franchisees operate or otherwise become involved with a substantially similar competing business during or after the term of this Agreement. During the term of this Agreement and for any extensions or Successor Franchises hereof, You agree that neither You nor Your family, will own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership, or corporation engaged in any grout repair or restoration services or similar business or other business offering products or services the same as or substantially similar to Your Franchise Business or the System in any capacity or location, except with Our prior written consent. You understand and acknowledge that to violate this Section will create irreparable harm to Us. Your owners, members, directors, officers, managers and shareholders will execute the standard Non-Disclosure and Non-Competition Agreement for Principals attached as Exhibit "A-3" and Your principal employees must execute Our Employee Confidential Information Non-Competition Agreement as attached hereto as Exhibit "A-4." These non-competition agreement exhibits are incorporated by reference herein. A copy of all such agreement must be promptly delivered to Us within one (1) week of hiring the respective employee.

16.2 Confidentiality. You, agree that at no time, either during the term of this Agreement, any extensions or Successor Franchise hereof, or at any other time will or any of those over whom You have control make any unauthorized disclosure or use of Our Confidential Information. We will disclose the Confidential Information to You when rendering guidance and assistance to You under the terms of this Agreement, Including, by way of example, furnishing the Manuals. You acknowledge and agree that the Confidential Information is proprietary, involves Our trade secrets and is disclosed to You solely on the express condition that You agree not to use the Confidential Information in the operation of any other grout repair or restoration business or other business, to maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement, not to make any unauthorized copy, duplicate, record, or otherwise reproduce all or any portion of the Confidential Information disclosed in written form, to never contest the validity of Our exclusive ownership of and rights to the System or the Confidential Information, and to adopt and implement all reasonable procedures prescribed from time-to-time by Us to prevent unauthorized use or disclosure of the Confidential Information.

16.3 Post Term Covenants. Upon Termination for any reason of this Agreement and any extensions thereof, or upon any Transfer or repurchase of Your rights hereunder and for a continuous, uninterrupted period of two (2) years thereafter, neither You, nor Your family, will, directly or indirectly, participate as an owner, operator, shareholder, director, member, manager, partner, consultant, agent, employee, advisor, officer, lessor, lessee, franchisor, franchisee or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any business, firm, entity, partnership or company engaged in any sale or offering similar products or services, the same as or substantially similar to Your Franchise Business or the System at the time of Termination in any capacity or location. within Your

Territory or within fifty (50) miles of Your Territory or the territory of any Grout Doctor® business operation at the time of Termination of this Agreement. You will not divert or attempt to divert any business of or any customers of any Grout Doctor® business operations to any other competitive establishment, by direct or indirect inducement or otherwise.

16.3.1 Tolling of Covenant. In the event You violate the non-competition covenant during the period of non-competition set forth above, the non-compete time period will be extended for the period of Your competition plus an additional six (6) months.

16.4 Non-Solicitation. You agree not to employ or seek to induce any employee of or party under contract with Us, Our franchisees or Our subsidiaries or affiliated companies to leave his or her employment with Us or said entities during the term of this Agreement, or any Successor Franchise or extensions hereof and for a period of two (2) years after the Termination of this Agreement or any Successor Franchise.

16.5 Survival of Covenants. The foregoing covenants will survive the Termination of this Agreement and will apply regardless of whether this Agreement was terminated by lapse of time, by default of either party, or for any other reason.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article XVI is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System.

16.7 Modifications. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, they will be reduced to that level which provides the greatest restriction, but which is still enforceable. You and We agree that such restrictions will be enforced to the fullest extent possible.

16.8 Our Remedies. If the post-term restrictions of this Article XVI are unenforceable or are reduced to a level which We, in Our reasonable business judgment, find unacceptable, We may, in addition to any other remedies available to Us, require You, for a period of two (2) years from the date of Termination of this Agreement, to pay a fee of one-half (1/2) of the royalties and marketing fees which would be payable if the business in question was a Franchise Business.

16.9 Enforceability. You agree that the terms of the provisions of this Article XVI are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that You and/or Your entity has and will have with Us. It is the desire and intent of the parties to this Agreement that the provisions of this Article XVI be enforced to the fullest extent permissible under applicable laws. You understand and acknowledge that We have the right in Our sole discretion, to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

ARTICLE XVII
DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any disputes amicably, quickly, inexpensively and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. You and We agree that except as otherwise expressly provided for herein, in the event any controversy, dispute or claim whatsoever ("Dispute") arises between Us in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters and within thirty (30) days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such matters and if desired by either You or Us, the matters will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert or counsel for any party with respect to the dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, any Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings must be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied and reasons for the decision.

(i) Arbitration Procedures. In any arbitration the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and must be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of twenty-five (25) (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including, a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute

to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

(ii) Individual Disputes. Any Dispute must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other person.

(iii) Agreed Limitations. Except for payments owed by one party to the other, or claims attributable to Your underreporting of sales, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including, the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within a period of one (1) year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two (2) years after the first act or omission giving rise to an alleged claim.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. You agree that We will not be liable for any act or omission which is consistent with this Agreement or which is done in subjective good faith. If You bring an action for alleged wrongful termination of this Agreement and provided that the termination has not resulted in a closure of Your Franchise Business, Your sole remedy will be to be reinstated as a franchisee with no award of damages. If the termination results in a closure of Your Franchise Business Your sole remedies will be to be reinstatement as a franchisee and to receive compensation for economic losses directly incurred by You as a result of such closure, conditioned upon Your duty to mitigate.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards, or other interim relief), that party can appeal, within thirty (30) days of such final award, to a three (3) person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the upfront cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of

arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

ARTICLE XVIII
NOTICES

18.1 Notices. All notices permitted or required under this Agreement will be in writing and will be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) through the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three (3) days after deposit in the mail addressed as follows:

FRANCHISOR:	**FRANCHISEE:**
Grout Doctor Global Franchise Corp. 2150 South 1300 East, Suite 500 Salt Lake City, Utah 84106 (or Our then-current headquarters) Facsimile:_____ Email:_____ With a copy to (which will not act as notice or service to Franchisor): The Franchise & Business Law Group Attn : C. Jeffrey Thompson 57 West 200 South, Ste 350 Salt Lake City, Utah 84101 Email: jthompson@fblglaw.com	_____, LLC/Inc. _____ _____ Facsimile:_____ Email:_____

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred forty-eight (48) hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three (3) days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX
CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement is governed, construed and interpreted in accordance with the laws of the State of Utah without giving effect to its conflict of laws provisions. You and We agree that the provisions of this Agreement control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any

statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein, but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction of the courts of record of the State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and Us both agree that Salt Lake City, Utah will be the exclusive venue for any litigation between You and Us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration, if applicable. For purposes of this Agreement, "prevailing party" Includes, the Party which obtains a judgment in their favor, or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within thirty (30) days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

19.6 No Limitation of Our Rights. We may, in Our discretion, elect not to enforce or selectively enforce any provision of this Agreement whether with respect to You or any other franchisee and such acts or omissions will not limit or otherwise affect Our rights to strictly enforce this Agreement.

ARTICLE XX
MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including, those of a third party beneficiary, under any contract, understanding

or agreement between Us and any other person or entities, unless that contract, understanding or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that he, she or they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If two or more persons, corporations, limited liability companies, partnerships or other entities, guarantors or any combination thereof, sign this Agreement, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the Franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You covenant and agree that You will not offset nor withhold the payment of any royalties, fees, payments, or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including, Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. You will not be liable by reason of any failure or delay in the performance of Your obligations hereunder on account of strikes, fires, flood, storm, explosion or other cause which is beyond Your reasonable control. This Section 20.9 will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of the parties. Nothing in this Agreement or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to You.

20.11 Amendments. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement, and are binding.

20.12 Effective Date. This Agreement will become effective only when executed and accepted by Us at Our headquarters.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends on Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance or that You will be successful in Your Franchise Business; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of marketing, marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses in order to operate Your Franchise Business; 7) any location will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, vary, the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction that We believe are necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this Franchise.

20.17 Representations of Non-Violation. You represent and warrant that You may enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between You and any third party or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of the Grout Doctor® Franchise Disclosure Document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable, prior to signing this Agreement or making any payment to Us, and during which time You had the opportunity to submit the FDD for review by legal counsel.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us or any particular default by You or obligation of Yours will not affect or impair Our rights, with respect to any subsequent default by You or any of Our other rights, the declare the same or subsequent acts a breach or default. Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its Exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature will full legal force and effect, and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are the owners of and sole holders of a legal and beneficial interest in Your Franchise Business.

ARTICLE XXI
DEFINITIONS

21.1 "Confidential Information" means any information relating to Your Franchise Business, the Products or the development or operation of a Grout Doctor® franchise or relating to the System as a whole, Including: (i) trade secrets, methods, techniques, trade dress, specifications, hardware, software, systems, proprietary technology procedures, equipment, sales and marketing programs and techniques and knowledge in the development and operation of a Grout Doctor® franchise; (ii) knowledge of, specifications for, and suppliers of, certain Products, materials, supplies, and equipment; (iii) knowledge of operating results and financial performance of Grout Doctor® franchises; (iv) Our strategic plans and concepts for the development, operation, or expansion of Grout Doctor® Franchises in the System; (v) the contents of Our Manuals or any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship; (vi) all Customer Data, Including, phone numbers and email addresses whether created by Us or You; and (vii) certain other Intellectual Property generally deemed confidential. Confidential Information further includes all enhancements or modifications to the System or any component part of the System whether developed or discovered by Franchisor or Franchisee. Franchisee acknowledges and agrees that prior to the execution of this Agreement, it received information and has met and corresponded with Franchisor's principals, agents and/or representatives and that any of Franchisor's Confidential Information obtained or received as part of any prior meeting or correspondence is subject to the protection and restrictions of this Agreement.

21.2 "Gross Sales" includes the total of all sales of all services sold or rendered by You arising from Your Franchise Business during the term of this Agreement. "Gross Sales" excludes bona fide credits and returns and any sales for merchandise and excludes amounts paid by You for sales or use taxes on the sale of any merchandise or services.

21.2 "Including" throughout this Agreement, the term "Including", "Includes", or "Include" will mean, "Including, but not limited to", "including, without limitation" and similar all-inclusive non-exhaustive meanings.

21.3 "Intellectual Property" means all parts of the System particular to Us and collectively Includes all Marks, names, copyrights, systems, patents, patent applications, trade secrets, software, operations, and Manuals.

21.4 "Marketing," "marketing" and "market" Includes advertising, brand development, promoting and selling products and/or services, market research and other related processes whether utilized or developed now or in the future.

21.5 "Manuals" consists of one or more guides, manuals, Including, an operations manual, and/or policies and procedures manuals, technical bulletins or other written materials and may be developed, modified, and supplemented by Us periodically. The Manuals may be in printed or in an

electronic format in Our discretion. We reserve the right to require You to use an electronic version of the Manuals and to require You to access the document using the Internet or an intranet created and supported by Us. You understand and agree that aside from the uses permitted specifically under law, it is unlawful and a criminal offense to duplicate or reproduce any copyrighted or other proprietary materials.

21.6 "Marks" means the federally registered and common law trademarks and service marks owned by Us, whether now or later developed, and licensed to You for use only in association with Your Franchise Business, Including, The Grout Doctor, and Pretty Tile, Ugly Grout. "Marks" will also Include any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

21.7 "Operating Principal" is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

21.8 "Product" means any and all of the grout cleaning products and other products and items that are sold or offered for sale by Us, Our affiliates, or by licensees or franchisees.

21.9 "Social Media" means any and all websites, apps, and web or Internet pages for social interaction, business operation, marketing, and other online information communications, whether now or later developed, Including, Facebook, LinkedIn, Pinterest, Twitter and the like.

21. 10 "Termination" Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewals, transfer, or any other means by which this Agreement is no longer in effect and wherein You are no longer a franchisee of the Grout Doctor® System.

21.8 "We," "Our(s)" or "Us" only as applied to paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7 and Sections 11.1 and 16.4, and Articles XI, and XV, Includes Our predecessors, affiliates, subsidiaries, and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable.

21.9 "You" or "Your" Includes all signers of this Agreement, Including, all subsequent and current guarantors and Operating Principals, and all members, owners, partners, shareholders, managers, directors, officers, agents, affiliates, and principal employees and with those whose conduct You are chargeable.

[INTENTIONALLY LEFT BLANK
SIGNATURES ON NEXT PAGE]

WE CANNOT RELIABLY PROJECT YOUR FUTURE PERFORMANCE, REVENUES OR PROFITS, AND YOU REPRESENT, COVENANT AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING YOUR SUCCESS AS A FRANCHISEE AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF THE BUSINESS OPERATIONS UNDER THIS FRANCHISE AGREEMENT. THE SUCCESS OF YOUR BUSINESS IS LARGELY DEPENDENT ON YOUR PERSONAL EFFORTS.

WE EXPRESSLY DISCLAIM THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNING, INCOME, PROFITS, GROSS REVENUES, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF YOUR FRANCHISE BUSINESS.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO HAVE THIS AGREEMENT AND RELATED DOCUMENTS REVIEWED BY YOUR OWN ATTORNEY.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

Grout Doctor Global Franchise Corp.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

_____ (LLC/INC.)

By: _____
(Signature)

Name: _____

Title: _____

If the Franchisee is not an entity, each person must sign personally.

By: _____
_____, personally

By: _____
_____, personally

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement, dated the _____ day of _____, 20___, by Grout Doctor Global Franchise Corp. ("Franchisor") and for other good and valuable consideration, the undersigned (Guarantor"), for themselves, their heirs, successors and assigns, do jointly, individually and severally hereby guaranty the full performance of the terms and conditions of and liability for the aforesaid Franchise Agreement and related documents.

Guarantor understands that a separate action may be brought or prosecuted against any Guarantor whether or not the action is brought or prosecuted against any other Guarantor or against the Franchisee, or any or all of them, or whether any other Guarantor or the Franchisee is or are joined in the action.

Guarantor agrees that any claims, controversy, or dispute of Guarantor will be governed by the dispute resolution provisions of Article XVII of the Franchise Agreement, which Article is incorporated herein and by reference made a part hereof. Guarantor agrees that all arbitration and mediation will take place exclusively in Salt Lake City, Utah and Guarantor hereby submits to the jurisdiction of the federal and state courts of Utah.

Guarantor waives the benefit of any statute of limitations or other provision of law which in any way affects or limits Guarantor's liability under this Guaranty.

This Guaranty is governed by the laws of the state whose laws govern the Franchise Agreement.

This Guaranty may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

DATED this _____ day of _____, 20___.

"GUARANTOR(S)"

By:_____
(signature)
Name: _____, personally

By:_____
(signature)
Name: _____, personally

EXHIBIT "A-1"
TO THE FRANCHISE AGREEMENT

TERRITORY:

The Territory consists of the following area: _____
_____.

APPROVED* OFFICE LOCATION:

The Office Location is located at: _____, in the city or town of _____, county of _____, state of _____.

*Our approval of the territory or a site is not a guarantee or a warranty of the potential success of a territory or a site.

_____
Franchisee Initial and Date

_____
Franchisor Initial and Date

EXHIBIT "A-2"
TO THE FRANCHISE AGREEMENT

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

□ Partnership □ Corporation
□ Sole Proprietorship □ Limited Liability Company

Name of Entity: _____
State Entity was formed: _____/Date of Formation: _____
EIN: _____

If You are a corporation, partnership, or limited liability company, please write below the name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership or limited liability company, as well as the name of the shareholder, partner, or member who will attend training (please print or type names and add extra lines if necessary):

Name	**Address**	**Shares & Percentage of Interest***

*Corporation: Percentage owned of outstanding voting stock.
*Partnership: Percentage owned in voting and in capital and profits.
*Limited Liability Company: Percentage owned in membership interest.

List the names of the managers and officers of the Company:

Name	**Title**	**Manager/Officer**

The address where records are maintained is: _____
_____.

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with us and make decisions relating to the operations of the franchise business:
Name: _____
Address: _____
Email: _____

You agree to provide us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws by _____, 20___.

IN WITNESS WHEREOF, Franchisee has executed this Company Representations and Warranties as of the _____ day of _____, 20____.

FRANCHISEE:

_____ (LLC/INC.)

By: _____
(Signature)

Name: _____

Title: _____

EXHIBIT "A-3"
TO THE FRANCHISE AGREEMENT

PRINCIPAL CONFIDENTIALITY & NON-COMPETITION AGREEMENT

This PRINCIPAL CONFIDENTIALITY & NON-COMPETITION AGREEMENT (the "Agreement") is entered into and made effective as of the ___ day of _____, 20___, by and between **GROUT DOCTOR GLOBAL FRANCHISE CORP**, a Nevada corporation (hereinafter referred to as "Franchisor" or the "Company") and the undersigned (referred to herein as "Principal" or "You").

WHEREAS, Franchisor has developed a system for the operation of a mobile service franchise business known as The Grout Doctor®, offering to the public residential and commercial grout, tile and stone cleaning, sealing, re-coloring, repair, re-grouting and re-caulking and related repair and maintenance services and may also include and other supplemental services ("Grout Doctor® Business"). The system Includes, among other things, specific trade names, trademarks or service marks, standards, Manuals, operating procedures, marketing concepts, cooperative buying, business format, specifications for certain equipment, the sale of products under the name Grout Doctor®, supply items and confidential information ("System" and at times the "Grout Doctor® System"); and

WHEREAS, Principal or his or her company entered into an agreement with Franchisor ("Franchise Agreement") so as to be able to obtain the rights to operate a Grout Doctor® Business using the System developed by the Franchisor Including, certain confidential and proprietary information of Franchisor ("Franchise Business"); and

WHEREAS, Principal will have access to such proprietary information; and

WHEREAS, Principal recognizes the value of the System and the intangible property rights licensed under the Franchise Agreement and recognizes that the Franchisor's entering into the Franchise Agreement is conditioned upon the Principal entering into this Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principal or his or her company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principal acknowledges that he or she has obtained or may obtain knowledge of confidential matters, procedures, services, and products developed, used and owned by Franchisor and made available to Principal, which are necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively and profitably operate. Principal further acknowledges that such confidential information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure. Except as may be required under the Franchise Agreement, neither Principal, nor any of Principal's family, will during the term of the Franchise Agreement and any renewal or successor franchise agreement or any time thereafter, directly or indirectly, use, or disclose to any third party, or authorize any third party to use, any information relating to the Franchise Business or interest of Franchisor or the System which he or she knows, or reasonably should know, is regarded as confidential and valuable to Franchisor, Including, techniques, methods, protocols, standards, merchandising, sale of products and services, products, sourcing of products, marketing plans, pricing, billing systems and procedures, financial information, specifications, manuals, business plans, suppliers, customer lists, technical designs or drawings that relate to the Franchise Business and the Grout Doctor® System. The

parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement will constitute Confidential Information, and will be subject to all the terms and conditions of this Agreement (Including, the covenants, protecting against disclosures) as if such information had been disclosed following the execution of this Agreement

3. Non-Competition. Principal, Principal's family and Franchisor share in a common interest in avoiding situations where persons or companies who are or have been Grout Doctor® franchisees operate or otherwise become involved with a substantially similar competing business during or after the term of the Franchise Agreement. Therefore, the following covenants will be enforced during and after the term of the Franchise Agreement.

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises hereof, except as permitted under the Franchise Agreement, Principal agrees that neither Principal nor Principal's family, nor any shareholders, owners, partners, directors, members, managers, officers, agents, affiliates, or principal employees, will own, operate, lease, franchise, conduct, consult with, engage in, be connected with, have any interest in, or assist any person or entity engaged in or on its own account or as an employee, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership, or corporation engaged in any identical or similar business or other business offering products or services the same as or substantially similar to the Franchise Business or the System in any capacity or location, except with Franchisor's prior written consent. Principal understands and acknowledges that to violate this Section will create irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement and any extensions thereof, or upon any Transfer or repurchase or Principal's rights under the Franchise Agreement, and for a continuous, uninterrupted period of two (2) years thereafter, Principal, nor Principal's family, nor any members, managers, owners, partners, officers, directors, agents, affiliates or principal employees of Principals' company, will, directly or indirectly, participate as an owner, operator, shareholder, director, partner, consultant, agent, member, manager, employee, advisor, officer, lessor, lessee, franchisor, franchisee or serve in any other capacity whatsoever or have any interest in or assist any person or entity in any business, firm, entity, partnership or company engaged in any identical or similar business or other business offering products or services the same as or substantially similar to the Franchise Business or the System at the time of Termination in any capacity or location within the Territory or within fifty (50) miles of the Territory or within fifty (50) miles of the territory of any System franchise or affiliate business operation at the time of Termination of the Franchise Agreement. The ownership of not more than two percent (2%) of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principal agrees that the Franchise Business attracts customers from up to 50 miles, and that such geographical restraint is not unreasonable.

3.2.1 In the event Principal competes during the term of non-competition, this non-compete time period will be extended for the period of Principal's competition, plus an additional six (6) months.

4. Non-Solicitation of Employees. Principal will not, during the term of the Franchise Agreement and any extension or Successor Franchise, and for three (3) years thereafter, directly or indirectly, employ or attempt to employ or solicit for any employment any of Franchisor's employees or the employees of Franchisor's subsidiaries or affiliated corporations or entities.

5. Non-Solicitation of Customers. Principal will not, during the term of the Franchise Agreement and any extension or Successor Franchise and for three (3) years thereafter, directly or indirectly, contact any customer of Franchisor for the purpose of soliciting from any such customer any

business that is the same as or substantially similar to the business conducted between Principal or Principal's company and the customer, or Franchisor or Franchisor's affiliate and the customer. All Customer Data belongs to the Franchisor.

6. Return of Materials. At the Termination of the Franchise Agreement, Principal agrees to deliver to Franchisor (and will not keep a copy in his or her possession or deliver to anyone else) the Grout Doctor® operations manual and any and all Customer Data, vendor lists, records, data, designs, photographs, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property relating to the Business or the System.

7. Irreparable Harm. Principal hereby acknowledges and agrees that any breach by him or her of Sections 1 through 6 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor, will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Principal of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach.

8. Reasonableness and Enforceability. Principal agrees that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principal and/or his company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely.

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the State of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principal consents to the jurisdiction of the courts of record in the State of Utah and agrees that proper jurisdiction and venue will be exclusively in the state and federal courts of Salt Lake County, State of Utah.

10. Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind the successors and assigns of Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement will be assignable by Principal and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principal will survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Counterpart Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPAL ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first herein above written.

FRANCHISOR:	PRINCIPAL:
Grout Doctor Global Franchise Corp.	
By: _____ (Signature)	By: _____ (Signature)
Name: _____	Name: _____
Title: _____	

EXHIBIT "A-4"
TO THE FRANCHISE AGREEMENT

EMPLOYEE CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AND NON-COMPETITION AGREEMENT is entered into this ____ day of _____, 20__, between _____ ("Franchisee") and _____ ("Employee"), residing at _____
.
[City] [State] [Zip Code]

A. Franchisee is the holder of a Grout Doctor® franchise and as such is the beneficiary of certain confidential and proprietary information of Grout Doctor Global Franchise Corp. or its successors or assigns ("Franchisor").

B. Employee may in the course of his or her employment by Franchisee have access to such proprietary information.

NOW, THEREFORE, in consideration of the employment of the Employee by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Employee acknowledges that during the course of employment by Franchisee he or she has obtained or may obtain knowledge of confidential matters and procedures developed, licensed to or owned by Franchisor, and made available to the Franchisee which are necessary and essential to the operation of the business of the Franchisee, without which information the Franchisee could not efficiently, effectively and profitably operate its franchise. Employee further acknowledges that such confidential information was not known to him or her prior to employment.

2. Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee will not, during the course of his or her employment and thereafter, directly or indirectly, use, or disclose to any third party, or authorize any third party to use, any information relating to the business or interest of Franchisee or Franchisor, which he or she knows or reasonably should know is regarded as confidential and valuable to Franchisee or Franchisor, Including, techniques, sales and purchasing systems, pricing, accounting systems and procedures, protocols, products, products manuals, business plans, customer lists, technical designs or drawings that relate to Franchisee's business, the Grout Doctor® System and franchise products, customers, suppliers and marketing plans.

3. Non-Competition. Employee will not, during the course of his or her employment by Franchisee, and for one (1) year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in a business, which is competitive with or substantially similar to the business of a Grout Doctor® franchise or any other Grout Doctor® franchisee by becoming an owner, officer, director, shareholder, partner, associate, employee, agent, representative or consultant or serve in any other capacity in any such business. Without limiting the generality of the foregoing, the minimum area of competitive nature hereinbefore referred to will be that area within a twenty (20) mile radius of Franchisee's place of business or within a twenty (20) mile radius of any of Franchisor's franchise or business operation, or that of its parent, subsidiary or affiliate, at the time of Employee's termination of employment. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

4. Non-Solicitation of Employees. Employee will not, during the course of his or her employment and for one (1) year thereafter, directly or indirectly, employ or attempt to employ or solicit for any employment any of Franchisee's employees.

5. Non-Solicitation of Customers. Employee will not, during the course of his or her employment and for one (1) year thereafter, directly or indirectly, contact any customer of Franchisee for the purpose of soliciting from any such customer any business that is the same as or substantially similar to the business conducted between the Franchisee and the customer.

6. Return of Materials. At the termination of his or her employment, Employee agrees to deliver to Franchisee (and will not keep in his possession or deliver to anyone else whether in hard or electronic soft copy) Grout Doctor Global Franchise Corp. Manuals and any and all records, data, designs, photographs, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any such items belonging to Franchisor, its successors or assigns relating to the Grout Doctor® System.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond.

8. Enforceability. If any portion of this Agreement is held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely.

9. Binding Agreement. This Agreement will bind the successors and assigns of Franchisee and the heirs, personal representative and successors of Employee. No rights under this Agreement will be assignable by Employee and any purported assignment will be null and void and of no force or effect.

10. Survival of Covenants. All covenants made in this Agreement by Employee will survive the termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

12. Counterparts. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

13. Third Party Beneficiary. It is agreed and acknowledged that Grout Doctor Global Franchise Corp. is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first herein above written.

FRANCHISEE:

_____

By: _____
(Signature)

Name: _____

Title: _____

EMPLOYEE:

_____
(Signature)

_____
(Print Name)

EXHIBIT "A-5"
TO THE FRANCHISE AGREEMENT

APPROVED GROUT DOCTOR SERVICES

1. Grout Cleaning
2. Grout Sealing
3. Grout Repair
4. Regrouting
5. Grout Staining
6. Recaulking
7. Tile Repair/Replacement
8. Grouting
9. Minor Wall Repairs*
10. Accessory Installation*
11. Shower Door Removal*
12. Clean, Seal or Refinish Saltillo Tile or Pavers*
13. Cleaning & Sealing Natural Stone*
14. EnduroShield Protective Coatings Installation*

SUPPLEMENTAL SERVICES

(These supplemental services are only available after operating Your franchise for at least 3 months. All of these services require additional training by Us for a training fee. Some of these services also require the purchase of additional equipment and supplies.)

1. Stone Restoration and Polishing

_____ Franchisor's Initials

* Optional Services

EXHIBIT "A-6"
TO THE FRANCHISE AGREEMENT

NEW FRANCHISEE START-UP PACKAGE
Equipment and Tools

Electric Grout Removal Tool
Tool Adapter and Carbide Bits (4)
Electric Multi Tool
Moisture Meter
Shop Vac
Tile Scorer and Breaker
Tile Nippers
Tile File
Grout Getter
Chisel
Grout Float
Margin Trowel
Manual Grout Saw w/Blades
Fast Change Utility Knife w/Blades
Razor Scraper
Scraper Blades (100)
4" Scraper
4" Blades (10)
Safety Glasses
Knee Pads
Dust Masks (1)
Tool Box
Wet Saw
Mini Pry Bar
Flashlight
Ear Plugs
25' Tape Measure
9' Heavy Duty Extension Cord
4-Way Screw Driver
Hammer
Pliers
Flexible Putty Knife
Grout Sponges (2)
Small Grout Brushes (4)
Large Grout Brush (2)
Stain (Chip) Brushes (5)
Green Scrub Pads (16)
Disposable Shoe Covers (6 pair)
Spray Bottles (12)
Sample Bottles/Labels (12)
Tape
Caulk Gun
Drop Cloth
Dust Pan
Broom
Trash Bags
Terry Cloth Towels (12)
Rubber Gloves
Blades Utility (100)

Training Materials

Grout Doctor Operations Manuals
How to Get the Gold Out of Grout and Self Study Pre Test
Volume I - Operations Training
Volume II - Technical Training
Volume III - Marketing and Marketing

Marketing Materials

Personalized Marketing and Marketing Plan
Magnetic Vehicle Signs (2)
Vehicle PTUG/Web Site Decal
Vehicle Wrap Design Template
Before and After Photo Album
Grout Doctor Jingle CD
Grout Doctor TV Commercial DVD
Direct Mail and Internet Marketing Programs
Marketing, Flyer, Postcard, Tri-fold Templates

Printed Materials

1000 Business Cards
500 Estimate Forms (2 part NCR)
25 Gift Certificates
100 "Sorry We Missed You" Door Hangers
100 "In the Neighborhood" Door Hangers
100 Lead Tracking Sheets
200 Home Show Estimate Request Slips

Grout Doctor Products and Other Consumable Supplies

Alkaline Cleaner (3 gallons)
Acidic Cleaner (2 gallons)
Dry White Grout
Sealer (1 gallon)
Shower Cleaner (1 gallon)
Neutral Cleaner (1 gallon)
Caulk (3)

Logo Wear

Grout Doctor Polo Shirts (2)
Grout Doctor T-Shirts (5)

EXHIBIT "A-7"
TO THE FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I (We) hereby authorize Grout Doctor Global Franchise Corp. (hereinafter called "Company"), to initiate debit entries to my (our) ☐ checking account/ ☐ savings account (select one) indicated below at the depository financial institution named below, (hereinafter called "Depository"), and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner as to afford Company and Depository a reasonable opportunity to act on it.

Name(s): _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS <u>MUST</u> PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

EXHIBIT "A-8"
TO FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS

CONSTRUCTION AND JURISDICTION

Sections 19.1 and 19.2 are hereby amended in part to provide: This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of Illinois without regard to its laws relating to conflicts of laws or choice of laws. Notwithstanding the foregoing the Federal Arbitration Act and the United States Trademark Act shall apply to this Agreement and the relationship of the Parties. Any provision in this Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action enforceable in the state of Illinois and all litigation will commence in Illinois courts; provided that the Agreement may provide for arbitration in a forum outside of the State of Illinois. If the governing law requires terms other than or in addition to those in this Agreement, then such terms shall be deemed incorporated herein, but only if necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. If permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect. If any provisions of this Agreement are, or shall come in conflict with any applicable law, then the applicable law shall govern and such provisions shall be automatically deleted and shall not be effective if they are not in accordance with applicable law and the remaining terms and conditions of this Agreement shall remain in full force and effect. All words in this Agreement shall be deemed to include any number or gender as the context or sense of this Agreement requires.

Section 19.2 is hereby amended in part to provide: Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of Illinois law is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of the ____ day of _____, 20__.

FRANCHISEE	**GROUT DOCTOR GLOBAL FRANCHISE CORP.**
By:_____	By: _____
Its	Its

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Addendum Agreement is made contemporaneously with the Franchise Agreement dated _____, 20____, by and between **GROUT DOCTOR GLOBAL FRANCHISE CORP.,** a Nevada corporation, hereinafter referred to as "Franchisor" and _____, hereinafter referred to as "Franchisee."

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the _____ day of _____, 20___, with the full authority of the Company principal they represent.

FRANCHISEE	**GROUT DOCTOR GLOBAL FRANCHISE CORP.**
By:_____	By: _____
Its	Its

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

   > Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.

_____
Franchisee (Signature)

_____
Franchisee (Signature)

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR 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 Agreement fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement.

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR 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 of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

The franchisor has agreed to post a surety bond in the amount of $100,000 pursuant to RCW 19.100.050.

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

The undersigned does hereby acknowledge receipt of this addendum.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Agreement as of the ____ day of _____, 20__.

FRANCHISOR:
GROUT DOCTOR GLOBAL FRANCHISE CORP.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:
##, (LLC/INC.)

By: _____
(Signature)

Name: _____
Title: _____

INDIVIDUALS:

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

EXHIBIT B
TO DISCLOSURE DOCUMENT

AUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDING

December 31, 2017, 2016, 2015

GROUT DOCTOR
GLOBAL FRANCHISE CORP. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended
December 31, 2017, 2016, and 2015

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SQUIRE
HIGHER PERSPECTIVE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grout Doctor Global Franchise Corp.

We have audited the accompanying consolidated financial statements of Grout Doctor Global Franchise Corp. (a Nevada Corporation) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2017, 2016 and 2015, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Grout Doctor Global Franchise Corp. as of December 31, 2017, 2016 and 2015, 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.

Squire & Company, PC

Orem Utah
March 16, 2018

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
December 31, 2017, 2016, and 2015

	2017	2016	2015
ASSETS			
Current Assets:			
Cash	$ 51,047	$ 18,653	$ 24,360
Restricted cash	25,949	-	-
Accounts receivable, net	59,107	49,265	48,519
Advances	-	2,400	597
Inventories	3,664	5,641	4,638
Prepaid expenses	7,780	6,977	12,383
Notes receivable, current portion	15,168	11,180	4,435
Deferred tax asset	9,453	4,283	5,331
Total current assets	172,168	98,399	100,263
Other Assets:			
Trademarks and trademark rights, net	400,191	423,975	448,700
Software, net	31,459	26,667	30,000
Note receivable, less current portion	-	4,480	3,132
Total other assets	431,650	455,122	481,832
Total assets	$ 603,818	$ 553,521	$ 582,095

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

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (Continued)
December 31, 2017, 2016, and 2015

	2017	2016	2015
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 28,384	$ 36,776	$ 50,180
Accrued expenses	34,907	30,338	33,046
Deposits	1,000	-	-
Current portion of notes payable	68,246	44,360	41,815
Total current liabilities	132,537	111,474	125,041
Long-Term Liabilities:			
Notes payable, less current portion	90,797	69,346	102,507
Deferred revenue	46,155	20,212	13,438
Long term deferred tax liability	64,812	41,118	39,696
Total long-term liabilities	201,764	130,676	155,641
Total liabilities	334,301	242,150	280,682
Stockholders' Equity:			
Common stock, no par value	39,960	39,960	39,960
Treasury stock, 314 shares at cost	(76,302)	-	-
Retained earnings	305,859	271,411	261,453
Total stockholders' equity	269,517	311,371	301,413
Total liabilities and stockholders' equity	$ 603,818	$ 553,521	$ 582,095

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

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2017, 2016, and 2015

	2017	2016	2015
Revenues:			
Royalties	$ 628,447	$ 572,939	$ 563,916
Franchise fees	42,325	32,072	27,722
Support	111,709	99,223	97,516
Product sales	6,280	7,003	11,057
Grout service revenue	101,681	134,611	44,119
Advertising	24,742	-	-
Total revenues	915,184	845,848	744,330
Cost of Revenue	159,328	143,229	91,686
Gross Profit	755,856	702,619	652,644
General and Administrative Expenses	683,578	686,590	601,920
Income from Operations	72,278	16,029	50,724
Other Income (Expense):			
Interest income	1,511	479	409
Loss on write off of territory repurchase	-	-	(17,446)
Other income	51	11,407	92
Interest expense	(14,415)	(14,245)	(17,886)
Total other expense	(12,853)	(2,359)	(34,831)
Income before Provision for Income Tax	59,425	15,893	15,893
Income Tax Expense	24,977	3,712	3,119
Net Income	$ 34,448	$ 9,958	$ 12,774

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

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2017, 2016, and 2015

	Common Stock		Treasury	Retained	
	Shares	Amount	Stock	Earnings	Total
Balance, January 1, 2015	914	$ 39,960	$ -	$ 248,679	$ 288,639
Net Income	-	-	-	12,774	12,774
Balance, December 31, 2015	914	39,960	-	261,453	301,413
Net Income	-	-	-	9,958	9,958
Balance, December 31, 2016	914	39,960	-	271,411	311,371
Net Income	-	-	-	34,448	34,448
Purchase of Treasury Stock	(314)	-	(76,302)	-	(76,302)
Balance, December 31, 2017	600	$ 39,960	$ (76,302)	$ 305,859	$ 269,517

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

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017, 2016, and 2015

	2017	2016	2015
Cash Flows from Operating Activities:			
Net income	$ 34,448	$ 9,958	$ 12,774
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization expense	38,213	29,800	25,756
Loss on write off of territory repurchase	-	-	17,446
Provision for bad debt	78	1,042	4,627
Deferred income taxes	18,524	2,470	(2,975)
Change in operating assets and liabilities:			
Accounts receivable	(9,920)	(9,316)	(9,705)
Advances	-	597	(597)
Inventories	1,977	(1,003)	(3,120)
Prepaid expenses	(803)	5,406	(7,603)
Income tax receivable	2,400	(2,400)	-
Accounts payable	(8,392)	(13,404)	24,119
Accrued expenses	4,569	(2,708)	2,225
Deposits	1,000	-	(2,000)
Deferred revenue	4,952	1,774	(6,544)
Total adjustments	52,598	12,258	41,629
Net cash provided by operating activities	87,046	22,216	54,403
Cash Flows from Investing Activities:			
Payments for trademark defense	(2,721)	(1,742)	(10,865)
Payments for software development	(16,500)	-	(15,000)
Collection of notes receivable	21,483	4,435	5,475
Net cash provided (used) in investing activities	2,262	2,693	(20,390)
Cash Flows from Financing Activities:			
Proceeds from issuance of notes payable	100,000	-	-
Acquisition of treasury stock	(76,302)	-	-
Principal payments on note payable	(54,663)	(30,616)	(37,665)
Net cash used in financing activities	(30,965)	(30,616)	(37,665)
Net Change in Cash	58,343	(5,707)	(3,652)
Cash at Beginning of Year	18,653	24,360	28,012
Cash at End of Year	$ 76,996	$ 18,653	$ 24,360
As presented on the consolidated balance sheets:			
Cash	$ 51,047	$ 18,653	$ 24,360
Restricted cash	25,949	-	-
	$ 76,996	$ 18,653	$ 24,360

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

GROUT DOCTOR GLOBAL FRANCHISE CORP. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Business Activity

The consolidated financial statements include the accounts of Grout Doctor Global Franchise Corp. (a Nevada Corporation) and its wholly owned subsidiary, Grout Doctor Global Development, LLC (a Utah Limited Liability Company). Grout Doctor Global Franchise Corp. and subsidiary are collectively referred to as "the Company" in these consolidated financial statements. All significant intercompany transactions have been eliminated in consolidation.

Grout Doctor Global Franchise Corp. grants franchises known as "The Grout Doctor®," specializing in mobile grout, tile and stone cleaning and grout maintenance and repair. The Company assists franchisees in establishing and operating a grout, tile and stone cleaning, grout maintenance and repair franchise. The Company also provides supplies, tools and data services for franchisees.

Each franchisee is required to pay the Company an initial franchise fee as well as monthly royalty fees. The initial franchise fee and monthly royalty fees are determined by the number of owner-occupied households in the franchisee's designated service area.

During the year ended December 31, 2017, the Company sold 7 new franchises, closed 2 Company-owned franchises, and transferred 5 franchises. At December 31, 2017, 2016 and 2015, 0, 1, and 0 franchises, respectively, were not open and operating. The number of franchised outlets in operation was 75, 70 and 71, at December 31, 2017, 2016 and 2015, respectively.

During the year ended December 31, 2015, the Company organized Grout Doctor Global Development, LLC. This entity was organized to provide grout, tile and stone cleaning and grout maintenance services to customers delivered by subcontractors. In addition, this entity provides products for sale to consumers. The entity commenced operations in September 2015.

Note 2. Significant Accounting Policies

The following is a summary of the significant accounting policies followed in the preparation of the financial statements. The financial statements and notes are representations of the Company's management. The policies conform to generally accepted accounting principles and have been consistently applied.

Revenue Recognition – The Company recognizes franchise fee revenue as substantial performance of defined revenue benchmarks occur. During the first six months of the initial start-up of a new franchise, the Company expends significant resources, including the payment of commission and royalty fees, purchase of a car wrap, training and advertising expense, and start-up inventory costs relating to each new franchise. As substantial performance relating to the benchmarks is reached, the Company recognizes a corresponding amount of franchise fee revenue. The remaining franchise fee revenue is recognized ratably over the life of the franchise agreement, approximating seven years.

Note 2. Significant Accounting Policies (Continued)

Royalties are recognized monthly as they are earned. Support revenue from the operation of the Company's data center is recognized when services are performed. Product sales are recognized when the related products are shipped to franchisees or consumers. Grout service revenue is recognized as the related services are performed and collectability is reasonably assured.

During the year ended December 31, 2017, the Company established an advertising fund. Franchisees are required to remit .05% of monthly royalties to be used for advertising. The Company recognizes revenue from advertising as advertising expenses are incurred.

Deferred Income Taxes – The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred taxes are determined based on the differences between the financial statements and tax basis of assets and liabilities as measured by the currently enacted tax rates in effect for the years in which those differences are expected to reverse. Deferred tax expense or benefit is the result of changes in deferred tax assets and liabilities.

In accordance with accounting standards, the Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in other income (expense) in the Statements of Income.

Cash – Cash includes all regular checking and savings accounts. The Company maintains cash deposits at financial institutions. At December 31, 2017, the carrying amount of deposits was $51,047, and the bank balance was $52,986, all of which was covered by federal depository insurance.

Restricted Cash – Restricted cash consists of deposits in an account held at a financial institution for advertising funds collected from franchisees. Funds held in this account are designated for the purpose of providing advertising for franchisees and are not available to the Company to fund its operations. At December 31, 2017, the book and bank balance was $25,949, all of which was covered by federal depository insurance.

Accounts Receivable – Receivables consist primarily of amounts due from monthly royalty, development, or support fees due from franchisees. An allowance for doubtful accounts of $5,000 has been established for each of the years ended December 31, 2017, 2016 and 2015.

Inventories – Inventories consist primarily of supplies and products held for resale to franchisees and consumers and are stated at the lower of cost or market, using the first-in, first-out method. The Company has entered into an agreement with a vendor to supply inventory directly to franchisees.

Trademarks and Trademark Rights – Management records trademarks and trademark rights using the purchase price of the acquired assets. Additionally, the Company capitalizes amounts spent defending its trademarks and rights. The trademarks are being amortized on a straight-line basis over their economic useful lives, deemed to be 25 years.

Note 2. Significant Accounting Policies (Continued)

On an ongoing basis, management reviews the carrying amount of trademark rights to determine possible impairment by comparing the carrying value of the trademark rights to the undiscounted estimated future cash flows of the related assets. If the sum of the expected future cash flows is less than the carrying amount of the trademark rights, an impairment loss is recognized. Any necessary adjustment would reduce the trademark rights to fair value. The resulting loss is reported as a component in the statements of operations. Management has evaluated Trademarks and Trademark Rights and has determined that no impairment exists at December 31, 2017.

Software, net – The Company has acquired customized software which is recorded at cost and amortized using the straight-line method over the estimated economic useful life of the asset, which is typically 3 years. Enhancements to software that provide significant improvements to functionality are capitalized and amortized over the estimated economic useful life of the enhancement.

Deferred Revenue – Deferred revenue consists of the portion of initial franchise fees not earned by substantial performance of revenue benchmarks or that will be ratably recognized over the life of the franchise agreement. During the year ended December 31, 2017, the Company established an advertising fund. Funds received for advertising from franchisees are deferred until advertising expenses are incurred.

Advertising – Advertising costs are charged to expense as incurred and total $68,163, $66,670, and $21,558, for the years ended December 31, 2017, 2016 and 2015, respectively.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Note 3. Software, net

The composition of software, net is as follows at December 31:

	2017	2016	2015
Software	$ 46,500	$ 30,000	$ 30,000
Accumulated amortization	(15,041)	(3,333)	-
	$ 31,459	$ 26,667	$ 30,000

Amortization expense for the years ended December 31, 2017, 2016 and 2015, was $11,708, $3,333 and $0, respectively.

Note 3. Software, net (Continued)

During the year ended December 31, 2016, the Company entered into a contract with a software development company. Amounts capitalized for the development of franchise management software, totaled $30,000. The software was placed in service during 2016.

During the year ended December 31, 2017, the Company capitalized software development costs of $16,500 related to enhancements improving the functionality of the franchise management software used by the Company.

Note 4. Trademarks and Trademark Rights

The Company has capitalized $225,000 relating to a licensing agreement allowing the Company to sell franchises utilizing "THE GROUT DOCTOR" ® trademark. The Company subsequently entered into an additional agreement to acquire all rights relating to "THE GROUT DOCTOR" ® trademark, together with related marks, slogans, trademarks, and communication symbols. The Company recorded an additional $388,549 in trademarks and trademark rights, using the acquisition cost of the asset.

The Company has capitalized additional costs of $2,721, $1,742, and $10,865, in defending its trademarks during the years ended December 31, 2017, 2016 and 2015 respectively.

The Company evaluated its trademarks and determined that the trademarks and related assets had a finite life, estimated to be 25 years. Accordingly, the Company recognized $26,505, $26,467, and $25,756, in amortization expense during the years ended December 31, 2017, 2016 and 2015, respectively. Estimated future amortization expense for each of the succeeding five years approximates $26,505.

Note 5. Notes Receivable

Notes receivable consists of the following at December 31, 2017, 2016 and 2015:

	2017	2016	2015
Note receivable with a franchisee to finance purchase of franchise, 12 monthly principal and interest payments of $909, interest at 8%, matures August 2018, not collateralized	$ 7,060	$ -	$ -
Note receivable with a franchisee to finance purchase of franchise, 12 monthly principal and interest payments of $482, interest at 8%, matures August 2018, not collateralized	3,741	-	-
Note receivable with a franchisee to finance purchase of franchise, 12 monthly principal and interest payments of $430, interest at 6%, matures April 2018, not collateralized	1,700	-	-
Note receivable with a franchisee for past-due royalties and fees, 24 monthly principal and interest payments of $316, interest at 10.5%, paid in full during 2017	-	2,210	5,523
Note receivable with a franchisee for past-due royalties and fees, 24 monthly principal and interest payments of $107, interest at 10.5%, paid in full during 2017	-	922	2,044
Note receivable with a franchisee to finance purchase of franchise, 12 monthly principal and interest payments of $430, interest at 6%, paid in full during 2017	-	5,000	-
Note receivable with a franchisee for past-due royalties and fees, 18 monthly principal and interest payments of $461, interest at 12.5%, matures June 2018, not collateralized	2,667	7,528	-
	15,168	15,660	7,567
Current portion of notes receivable	(15,168)	(11,180)	(4,435)
Notes receivable, net of current portion	$ -	$ 4,480	$ 3,132

Amounts outstanding on notes receivable are expected to be collected during the year ending December 31, 2018.

Note 6. Deferred Revenue

Deferred revenue consists of the following at December 31:

	2017	2016	2015
Deferred franchise revenue	$ 21,715	$ 20,212	$ 13,438
Deferred advertising fund revenue	24,440	-	-
	$ 46,155	$ 20,212	$ 13,438

Note 7. Notes Payable

Notes payable consist of the following at December 31:

	2017	2016	2015
Note payable to a financial instituion, monthly principal and interest payments of $1,910, interest at 5.5%, matures May 2022, not collateralized	$ 89,697	$ -	$ -
Stockholder note payable, interest at 12.5%, refinance of two notes maturing in January 2019, collateralized by a security interest in royalties of the Company, monthly principal and interest payments of $4,674, matures May 2019	69,346	113,706	-
Stockholder note payable, interest at 10.5%, collateralized by a security interest in royalties of the Company, monthly principal and interest payments of $2,866, matures January 2019, refinanced into note payable maturing May 2019	-	-	90,264
Stockholder note payable, interest at 10.5%, collateralized by a security interest in royalties of the Company, monthly principal and interest payments of $1,717, matures January 2019, refinanced into note payable maturing May 2019 2019	-	-	54,058
	159,043	113,706	144,322
Current portion of notes payable	(68,246)	(44,360)	(41,815)
Notes payable, net of current portion	$ 90,797	$ 69,346	$ 102,507

Note 7. Notes Payable (Continued)

Principal maturities of the note payable are as follows:

Year Ending December 31,	
2018	$ 68,246
2019	38,599
2020	20,588
2021	21,749
2022	9,861
	$ 159,043

On July 1, 2016, the Company refinanced and consolidated two outstanding stockholder notes payable into one stockholder note payable. Payments on the refinanced and consolidated note payable commenced in October 2016.

Note 8. Commitments

Royalty Agreement – The Company has an agreement with a sole proprietor. The sole proprietor is entitled to receive 20% of all monthly royalties collected from each Florida franchise or $150 per month per franchise, whichever is greater. Per the terms of the agreement, royalty payments will continue indefinitely into the future. The Company paid $15,388, $16,379, and $16,841, to this sole proprietor during the years ended December 31, 2017, 2016, and 2015, respectively. The balances owed to this sole proprietor are $1,402, $1,317 and $1,311, at December 31, 2017, 2016, and 2015, respectively, and are included in accounts payable.

Software Development and Web Hosting Agreement – The Company has entered into agreements with Silicon Mountain Technologies (SMT) to perform software development and web hosting services related to the Company's franchise management software.

During the years ended December 31, 2016 and 2015, the Company paid $1,500 per month under the terms of a web hosting agreement with SMT. Amounts paid for each of the years ended December 31, 2016 and 2015, pursuant to this agreement, totaled $20,400, and $18,000, respectively.

The Company also executed an agreement with SMT for the development of a specialized franchise software platform. The agreement required a total initial investment of approximately $30,000 for the development of the software. The software was placed in service during the third quarter of 2016.

Note 8. Commitments (Continued)

The Company subsequently entered into a 36 month agreement with SMT for web hosting, reporting and other services related to the new franchise software platform, commencing at the time the software was placed in service. The agreement requires monthly payments of $1,500 for hosting the franchise platform and $1,500 for ongoing software development services. The agreement commenced in January 2017. Amounts paid by the Company pursuant to this agreement totaled $36,000 for the year ended December 31, 2017, of which $16,500 was capitalized by the Company as software development and enhancement costs (see Note 3).

Management Agreement – The Company has a management services agreement with NewLine, Inc. The agreement requires monthly payments of $2,000. The agreement is non-cancelable and expires on January 31, 2019. NewLine, Inc. is an affiliate of the Company.

Social Media Consulting Agreement – The Company has a social media consulting agreement commencing January 1, 2017. The agreement requires the Company to pay $1,250 per month for a term of 12 months. The agreement may be terminated by either party after the 1-year period, with 90 days of written notice.

Note 9. Related Party Transactions

At December 31, 2017, 2016, and 2015, the Company's operations are supported by affiliate entities, which are owned by stockholders of the Company.

During the years ended December 31, 2017, 2016 and 2015, affiliates were compensated by the Company for providing marketing, sales, support, administrative, and financial services. Affiliates were also entitled to expense reimbursements and commissions on franchise sales and royalties.

NewLine, Inc. – The owners of this entity are also stockholders of the Company. This affiliate provides administrative services to the Company under the terms of a management agreement (see Note 8). Transactions with this affiliate for the years ended December 31 are as follows:

	2017	2016	2015
Management fees paid	$ 24,000	$ 24,000	$ 24,000
Expense stipends paid	8,550	11,423	8,400

J. Charles Group, LLC – The owners of this entity are also stockholders of the Company. Transactions with this affiliate for the years ended December 31are as follows:

	2017	2016	2015
Expense stipends paid	$ 4,800	$ 5,108	$ 4,200

Note 9. Related Party Transactions (Continued)

As discussed in Note 6, the Company has notes payable with a stockholder in the principal amounts of $69,346, $113,706 and $144,322, at December 31, 2017, 2016, and 2015, respectively.

Note 10. Supplemental Cash Flow Disclosures

The Company paid $11,293, $18,066 and $21,160, in interest during the years ended December 31, 2017, 2016 and 2015, respectively. The Company paid income taxes of $5,405, $3,614 and $6,056, during the years ended December 31, 2017, 2016 and 2015, respectively.

During the year ended December 31, 2017, three notes receivable in the principal amount of $20,991 were issued by the Company to finance the purchase of franchises with a corresponding increase in deferred revenue.

Non-cash investing activities for the year ended December 31, 2016, include a note receivable of $5,000 issued to finance the purchase of a franchise with a corresponding increase in deferred revenue. Accounts receivable due from a franchisee totaling $7,528 was converted into a note receivable.

Non-cash investing activities during the year ended December 31, 2015, include an increase in software of $15,000 and a corresponding increase in accounts payable. Accounts receivable due from franchisees totaling $9,117 was converted to notes receivable.

Note 11. Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act was enacted into law. The Company has accounted for the tax effects of this enactment by applying the rate at which its deferred tax assets and liabilities will be realized in future years. At December 31, 2017, deferred tax assets and liabilities were adjusted to reflect an effective tax rate of 23.2%. At December 31, 2016 and 2015, the effective tax rate utilized to calculate the deferred tax assets and liabilities, was 17.2%. For the year ended December 31, 2017, this rate change increased the Company's deferred tax expense approximately $12,600.

Note 11. Income Taxes (Continued)

Income tax expense (benefit) consists of the following at December 31:

	2017	2016	2015
Current:			
Federal	$ 4,060	$ -	$ 4,526
State	2,393	1,242	1,568
	6,453	1,242	6,094
Deferred:			
Federal	16,998	1,828	(2,203)
State	1,526	642	(772)
	18,524	2,470	(2,975)
	$ 24,977	$ 3,712	$ 3,119

Deferred tax assets and liabilities consist of the following at December 31:

	2017	2016	2015
Current deferred tax assets (liability):			
Deferred revenue	$ 11,515	$ 3,892	$ 2,587
Cash to accrual accounts receivable and accounts payable differences	(4,219)	(391)	2,265
Accrued vacation	2,157	594	479
Charitable contribution carryforward	-	188	-
Net current deferred tax asset (liability):	$ 9,453	$ 4,283	$ 5,331
Long-term deferred tax asset (liability):			
Net operating loss carryforward	$ -	$ 4,066	$ -
Excess tax depreciation and amortization	(64,812)	(45,184)	(39,696)
Net long-term deferred tax (liability)	$ (64,812)	$ (41,118)	$ (39,696)

The Company utilized net operating loss and charitable contribution credits generated in 2016 to offset taxable income on prior year income tax returns.

At December 31, 2017, 2016 and 2015, the Company has not recorded any interest or penalties related to uncertain income tax positions. Tax years prior to 2014 are no longer subject to examination by taxing authorities.

Note 12. Contingencies

The Company has been awarded a summary judgment in a matter with a former franchisee over improper use of the Company's trademarks and trade names. During the year ended December 31, 2015, the court awarded the Company damages of $109,367. Any amounts received related to this gain contingency will be recorded in "other income" upon receipt.

The Company may become or is subject to investigations, claims or lawsuits ensuing from the conduct of its business. In the opinion of management, at December 31, 2017, there are no other contingencies that would have a material impact on the financial position of the Company.

Note 13. Retirement Plan

The Company has established a 401(k) retirement plan. The Company is designated as the plan's sponsor. Employees aged 21 and older may participate in the plan, and may make contributions into the plan. The Company may also make matching and discretionary profit-sharing contributions to the plan. As of the years ended December 31, 2017, 2016, and 2015, the Board of Directors authorized employer matching or discretionary contributions of $3,500, $0 and $3,500, respectively. These contributions were made to employee accounts by the end of the year or shortly thereafter.

Note 14. Company-Owned Franchises

At December 31, 2017, 2016 and 2015 the Company operated 3, 5 and 6 franchises, respectively. All Company-owned franchise operations are performed in Grout Doctor Global Development, LLC. The Company maintains agreements with subcontractors who perform the grout services. Under the terms of these subcontract agreements, the Company is required to spend a minimum of $1,000 each month, or 15% to 20% of each subcontractor's volume, on advertising.

Note 15. Subsequent Events

Management has evaluated subsequent events through March 16, 2018, the date the financial statements were available to be issued.

EXHIBIT C
TO DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES RESPONSIBLE FOR FRANCHISE DISCLOSURE/REGISTRATION LAWS

California

Department of Business Oversight

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205
Toll free at 1-866-275-2677

San Diego

1350 Front Street, Room 2034
San Diego, California 92101-3697
(619) 525-4233
Toll free at 1-866-275-2677

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559
Toll free at 1-866-275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500
Toll free at 1-866-275-2677

Connecticut

Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8233

Florida

Department of Agriculture and Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314-6700
(805) 488-2221
Fax: (805) 410-3804

Georgia

Secretary of State of Georgia
Corporations Division
2 Martin Luther King, Jr. Dr., SE
Suite 315, West Tower
Atlanta, Georgia 30334

Hawaii

Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2744

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4436

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Iowa

Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
(515) 287-4441

Maryland

Office of the Attorney General,
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa Street
Williams Building, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

Minnesota

Franchise Examiner
Minnesota Department of Commerce
Market Assurance Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1600

Nebraska

Department of Banking and Finance
Bureau of Securities/Financial
Institutions Division
1526 K Street, Suite 300
Lincoln, NE 68508-2732
(402) 471-3445

New York

Office of the New York State Attorney
General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor
New York, New York 10271-0332
Phone: (212) 416-8236
Fax: (212) 416-6042

North Dakota

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol Fifth Floor, Dpt 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business
Services
Division of Finance and Corporate
Securities
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140
Fax: (503) 947-7862

Rhode Island

Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex-69-1
Cranston, Rhode Island 02920-4407
(401) 462-9527

South Dakota

Department of Labor & Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501-3185
(605) 773-4823
Fax: (605) 773-5953

Texas

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
Street Address:
1719 Brazos
Austin, Texas 78701
(512) 475-1769

Utah

Division of Consumer Protection
Utah Department of Commerce
160 East 300 South
SM Box 146704
Salt Lake City, Utah 84114-6704
(801) 530-6601
Fax: (801) 530-6001

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701
(608) 266-2801

Federal Trade Commission

Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, D.C. 20580
(202) 326-3128

If a state is not listed, Grout Doctor Global Franchise Corp. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which Grout Doctor Global Franchise Corp. has appointed an agent for service of process.

EXHIBIT D
TO DISCLOSURE DOCUMENT

LIST OF AGENTS FOR SERVICE OF PROCESS

California: Commissioner of Business Oversight
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, CA 98514
(916) 445-7205
Toll free at 1-866-275-2677

Georgia: Secretary of State of Georgia
Corporations Division
2 Martin Luther King, Jr. Dr., SE
Suite 315, West Tower
Atlanta, Georgia 30334

Hawaii: Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois: Chief, Franchise Division
Office of Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana: Indiana Secretary of State
201 State House
Indianapolis, IN 46204

Maryland: Maryland Securities Commissioner
Division of Securities
Office of Attorney General
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan: Antitrust and Franchise Business
Michigan Department of the
Attorney General's Office
Franchise Administrator
Consumer Protection Division
6546 Mercantile Way
Lansing, MI 48910
(517) 373-7117

Minnesota: Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York: New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

North Dakota: North Dakota Securities Department
600 East Boulevard Avenue
State Capital Fifth Floor Dept 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon: Director of Insurance & Finance
Business Service Division of Finance
and Corporate Securities Labor
and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island: Chief Securities Examiner
of Business Regulation
Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota: Department of Labor & Regulation
Division of Securities
124 South Euclid Avenue, Suite 104
Pierre, SD 57501-3185
(605) 773-4823

Virginia: Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington: Director of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin: Wisconsin Commissioner of Securities
Franchise Investment Division
Fourth Floor
101 East Wilson Street
Madison, WI 53702

EXHIBIT E
TO DISCLOSURE DOCUMENT

RELEASE AGREEMENT

RELEASE AGREEMENT

This Release Agreement ("Agreement") by and between GROUT DOCTOR GLOBAL FRANCHISE CORP. (herein "Franchisor") and _____, LLC and _____, personally (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

In consideration of the premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor and Franchisee hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. The Franchisee acknowledges and expressly agrees that they will make no claim, and hereby waives any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose. These releases are intended to waive, release and discharge all claims, other than those expressly reserved herein, with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases. In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states:

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

(b) The parties, with the advice of their respective counsel, waive the benefit of both statute and other legal doctrine or principle of similar effect in any jurisdiction.

3. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

4. Nothing in this Agreement releases Personal Guarantor(s) or Franchisee from their obligations under the non-competition clauses of the Franchise Agreement or their Non-Competition Agreements signed with Franchisor.

5. Miscellaneous.

5.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

5.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the State of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the State of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

5.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake County, Utah, and the laws of the State of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

5.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

5.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

5.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

5.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

5.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

5.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf, or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

5.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

5.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

5.12 Enforceability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

6. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

7. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

[Signatures on Next Page]

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement. This Agreement will be effective when signed by all of the parties in the appropriate places indicated below. The date of this Agreement will be deemed to be the date on which the last signature is obtained.

FRANCHISOR:	FRANCHISEE:
GROUT DOCTOR GLOBAL FRANCHISE CORP.	_____,Inc/LLC (entity name)
By: _____ Its: _____	By: _____ Its: _____ (print name)
Date: _____	Date: _____

PERSONAL GURANTORS:

By: _____ _____, personally	By: _____ _____, personally
Date: _____	Date: _____

MARYLAND
ADDENDUM TO RELEASE AGREEMENT

The general release will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

ILLINOIS
ADDENDUM TO RELEASE AGREEMENT

When a prospective franchisee is required to sign the general release as a condition to obtaining a franchise, the general release will not apply to any claims arising from representations in the Franchise Disclosure Document, its exhibits and amendments.

EXHIBIT F
TO DISCLOSURE DOCUMENT

OPERATIONS MANUAL
TABLE OF CONTENTS

Volume I
Administrative / Operations Training Manual
Table of Contents

		# of pages
1.	Introduction	8
2.	Review of Franchise Agreement	53
3.	The Data Center	12
4.	Customer Service	15
5.	Record Keeping	50
6.	Reporting and Compliance	14
7.	Franchisee Support	7
8.	Expanding your Business	27
9.	Memberships	7
10.	Forms	15
Total		210

Volume II
Technical Training Manual
Table of Contents

1.	General Tile and Grout Info	48
2.	Approved Services	34
3.	EnduroShield Application	14
4.	Estimating	24
5.	Mold Basics	21
6.	Basic Stone Care	14
7.	Equipment, Tools and Supplies	36
8.	Safety	76
9.	Terms of the Trade	14
Total		287

Volume III
Marketing and Marketing Manual
Table of Contents

1.	Marketing Plan	13
2.	Vehicle Wraps	12
3.	Direct Mail	18
4.	Newspaper	1
5.	Yellow Pages	1
6.	Home Shows	1
7.	Internet Marketing	8
8.	Online Marketing and Print Center	13
Total		67

Volume IV
Technical Training Manual
Table of Contents

1.	Stone Refinishing	85
2.	Chip Repair	8
3.	Inlays	5
Total		98

EXHIBIT "G"
TO DISCLOSURE DOCUMENT

SCHEDULE OF FRANCHISEES:
(as of December 31, 2017)

CURRENT FRANCHISES

	STATE	FRANCHISE NAME	FRANCHISEE	ADDRESS	CITY, STATE, ZIP	EMAIL	PHONE
1	Alaska		David Ware	16105 Old Glenn Hwy	Chugiak, AK 99567	davidware@groutdoctor.com	907-748-4102
2	Arizona	Grout Doctor of Gilbert	Robert & Marsha Percox	5039 East Adobe Road	Mesa, AZ 85205	bobpercox@groutdoctor.com	480-720-6255
3	Arizona	Trans-stone & Grout, LLC (Mesa)	Remus & Diana Baesu	8711 East Pinnacle Peak Rod PMB 325	Scottsdale, AZ 85255	remusbaesu@groutdoctor.com	480-212-6508
4	Arizona	Trans-stone & Grout, LLC (North Phoenix)	Remus & Diana	8711 East Pinnacle Peak Road PMB 325	Scottsdale, AZ 85255	remusbaesu@groutdoctor.com	480-212-6508
5	Arizona	Conegan Corp.	Conrad Fiedler	P.O. Box 5278	Peoria, AZ 85385	conradfielder@groutdoctor.com	602-791-6767
6	Arizona	Trans-stone & Grout, LLC (Scottsdale)	Remus & Diana Baesu	8711 East Pinnacle Peak Road PMB 325	Scottsdale, AZ 85255	remusbaesu@groutdoctor.com	480-212-6508
7	California	Larre's Home Improvement	Larre & Jeanie Scheidt	9460 Willowbrook Road	Westminster, CA 92683	larrescheidt@groutdoctor.com	714-322-6033
8	California	South Orange County	Elvin Jenkins III	28241 Crown Valley Parkway, Ste. F #257	Laguna Nigel, CA 92677	elvinjenkins@groutdoctor.com	949-424-4245
9	California	The Grout Doctor (Thousand Oaks)	Richard Eby	5473 Spanish Oak Lane, Unit F	Oak Park, CA 91377	richardeby@groutdoctor.com	805-443-3456
10	Colorado	D. Shelton, LLC (Arvada/Golden /Lakewood)	Dean Shelton	4554 Richfield Street	Aurora, CO 80015	deanshelton@groutdoctor.com	720-456-9973
11	Colorado	D. Shelton, LLC (Aurora/Castle Rock/Parker)	Dean Shelton	4554 Richfield Street	Aurora, CO 80015	deanshelton@groutdoctor.com	720-456-9973
12	Colorado	M&B Tile and Grout, LLC	Matthew Bartlett	8712 Roaring Fork Dr.	Colorado Springs, CO 80924	mattbartlett@groutdoctor.com	719-464-5938
13	Colorado	Grout Doctor, LLC	Kevin Feldt	9044 Vance Street	Westminster, CO 80021	kevinfeldt@groutdoctor.com	720-841-1731
14	Florida	W&D Grout Inc.	Wayne & Debi Gregson	2047 Chadsworth Dr.	Dunedin, FL 34698	waynegregson@groutdoctor.com	727-459-4255
15	Florida	Grout Development, Inc. (Ft. Lauderdale)	Elliott Gerstein	18191 NW 68th Ave., Suite 112	Miami, FL 33015	elliottgerstein@groutdoctor.com	305-785-6609
16	Florida	Grout Development, Inc. (Miami Central/ West)	Elliott Gerstein	18191 NW 68th Avenue, Suite 112	Miami, FL 33015	elliottgerstein@groutdoctor.com	305-785-6609
17	Florida	Portcorp Inc. (New Tampa/Pasco)	William Porter	36627 Judee Drive	Zephyrihills, FL 33541	billporter@groutdoctor.co	813-469-4395

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18	Florida	JOKAR Enterprises	John Orban	231 Blue Cypress Drive	Groveland, FL 34736	johnorban@groutdoctor.com	352-396-3745
19	Florida	Superior Grout Services, Inc. (Sarasota/Venice/Englewood)	Brett Goodrequ	6764 Deering Circle	Sarasota, FL 34240	brettboodreau@groutdoctor.com	941-225-5366
20	Florida	W&D Grout, Inc. (St. Petersburg)	Wayne & Debi Gregson	2047 Chadsworth Dr.	Dunedin, FL 34698	waynegregson@groutdoctor.com	727-459-4255
21	Florida	Tampa	Daron Ward	1334 Misty Isle Ln.	Riverview. FL 33579	daronward@groutdoctor.com	813-458-8502
22	Georgia	All About You Services, LLC (Atlanta Northwest)	Jeff Arnold	2715 Mohawk Trail	Acworth, GA 30102	jeffarnold@groutdoctor.com	770-377-4432
23	Georgia	All About You Services, LLC (Atlanta Northeast)	Jeff Arnold	2715 Mohawk Trail	Acworth, GA 30102	jeffarnold@groutdoctor.com	770-377-4432
24	Hawaii	Hawaii's Best Seal Team	Remus & Diana Baesu	8711 East Pinnacle Peak Road PMB 325	Scottsdale, AZ 85255	remusbaesu@groutdoctor.com	480-212-6508
25	Illinois	JENLME, Inc. (Chicago, NW Suburbs)	Alan Clark	730 Jamestowne Rd.	Sleepy Hollow, IL 60118	alanclark@groutdoctor.com	224-520-3394
26	Illinois	J.B. Solutions, Inc. (Elhurst/Lombard)	James Bolnius	22 West 635 Walnut Avenue	Roselle, IL 60172	jimbolnius@groutdoctor.com	630-523-4243
27	Illinois		Steve Duffy	16750 Winterberry Lane	Orland Park, IL 60467	steveduffy@groutdoctor.com	708-738-4180
28	Illinois	JENLME, Inc. (Schaumburg/Elgin)	Alan Clark	730 Jamestowne Road	Sleepy Hollow, IL 60118	alanclark@groutdoctor.com	224-520-3394
29	Illinois	M&D Services, Inc.	Dennis & Micki Baran	P.O. Box 185	Wasco, IL 70185	dennisbaran@groutdoctor.com	630-584-7251
30	Indiana		Roger Powless	7511 Broadview Dr.	Newburgh, IN 47630	rogerpowless@groutdoctor.com	812-305-1129
31	Kentucky		Kevin Olivia	691 Napa Valley Lane, Apt. 12	Crestview Hills, KY 41017	kevinolivia@groutdoctor.com	513-315-9515
32	Massachusetts		Sean DeVall	14 Pomeroy Lane	Somers, CT 06071	seandevall@groutdoctor.com	413-219-1924
33	Michigan	The IvyLilly Group, LLC	Andrew Wittenberg	1822 Hunter's Run Drive	Grand Blanc, MI 48439	andrewwittenberg@groutdoctor.com	810-814-0190
34	Michigan	David M. Wegener, LLC (Rochester Hills)	David Wegener	844 Baylor Road	Rochester Hills, MI 48309	davidwegener@groutdoctor.com	248-505-8136
35	Michigan	David M. Wegener, LLC (West Bloomfield)	David Wegener	844 Baylor Road	Rochester Hills, MI 48309	davidwegener@groutdoctor.com	248-505-8136
36	Minnesota	Allen Grundmeier Contracting	Allen Grundmeier	4519 Toledo Ave N.	Minneapolis, MN 55422	allengrundmeier@groutdoctor.com	612-432-8453
37	Missouri	Haeffner, LLC	Matt & Chelsea Haeffner	9421 FM 2920 Rd, Bldg 28A6	Tomball, TX 77375	matthaeffner@groutdocto	512-514-3060

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38	Nebraska	The Olive Company	Frank & Jennifer Allen	3305 South 120th Street	Omaha NE 68144	frankallen@groutdoctor.com	402-250-3582
39	New Mexico	M&B Tile and Grout, LLC	Matthew Bartlett	8712 Roaring Fork Dr.	Colorado Springs, CO 80924	mattbartlett@groutdoctor.com	719-464-5938
40	New York	Amrett Services, Inc.	Steven Confessore	330 101st Street, #35D	Brooklyn, NY 11209	steveconfessore@groutdoctor.com	718-208-77466
41	North Carolina	Ceramic Services, Inc.	Larry White	12115 Windfall Place	Pineville, NC 28134	larrywhite@groutdoctor.com	704-763-1220
42	North Carolina	Grout, Tile & Stone Pros	Peter Lamb	245 East Julia Street	Angier, NC 27501	peterlamb@groutdoctor.com	919-753-3441
43	Ohio		Jeff Karam	5438 Bailey Drive	Milford, OH 45150	jeffkaram@groutdoctor.com	513-295-4777
44	Ohio	Melvin C. Grills, LLC (Cleveland SE)	Melvin Grills	25681 Nichols Road	Columbia Station, OH 44028	mellgrills@groutdoctor.com	440-773-8904
45	Ohio	Melvin C. Grills, LLC (Cleveland West)	Melvin Grills	25681 Nichols Road	Columbia Station, OH 44028	melgrills@groutdoctor.com	440-773-8904
46	Ohio	J&D Grout and Tile Services	Fred Jaconette	4490 Home Road	Powell, OH 43065	fredjaconette@groutdoctor.com	614-264-4397
47	Oklahoma	M&B Tile and Grout, LLC	Matthew Bartlett	8712 Roaring Fork Dr.	Colorado Springs, CO 80924	mattbartlett@groutdoctor.com	719-464-5938
48	Oregon		Gary Webb	2038 North 2nd Street	Springfield, OR 97477	garywebb@groutdoctor.com	541-606-4536
49	South Carolina	JC Connections, LLC	Jason Young	484 Ridgehill Drive	Lexington, SC 29073	jasonyoung@groutdoctor.com	803-730-6826
50	South Carolina	Ambassador Service Group, LLC	James Miner	5215 Lancaster Street	North Charleston, SC 29405	jimminer@groutdoctor.com	843-957-9058
51	Tennessee	WM2 Ventures LLC	Bill Matasick	4308 Gallant Ridge Drive	Franklin, TN 37064	billmatasick@groutdoctor.com	615-925-0252
52	Tennessee	Corps Construction Co.	Erik Ketterman	2888 London Circle	Knoxville, TN 37917	erikketterman@groutdoctor.com	855-287-3226
53	Texas	Household Service Industries, LLC (Arlington)	Clayton Householder	7504 Stoney Point Dr.	Plano, TX 75025	claytonhouseholder@groutdoctor.com	214-315-7996
54	Texas	Haeffner, LLC (Austin)	Matt & Chelsey Haeffner	9421 FM 2920 Rd., Bldg 28A6	Tomball, TX 77375	matthaeffner@groutdoctor.com	512-514-3060
55	Texas	Household Service Industries, LLC (Southlake/Colleyville)	Clayton Householder	7504 Stoney Point Dr.	Plano, TX 75025	claytonhouseholder@groutdoctor.com	214-315-7996
56	Texas		Chad Roberts	15090 Snowshill Dr.	Frisco, TX 75035	chadroberts@groutdoctor.com	469-446-8716
57	Texas	Household Service Industries, LLC	Clayton Householder	7504 Stoney Point Dr.	Plano, TX 75025	claytonhouseholder@grou	214-315-7996

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58	Texas	Household Service Industries, LLC (Garland/Mesquite/ Rowland)	Clayton Householder	7504 Stoney Point Dr.	Plano, TX 75025	claytonhouseholder@groutdoctor.com	214-315-7996
59	Texas	Household Service Industries, LLC (McKinney)	Clayton Householder	7504 Stoney Point Dr.	Plano, TX 75025	claytonhouseholder@groutdoctor.com	214-315-7996
60	Texas	(North Dallas)	Timothy & Michelle Garner	1301 Embercrest Dr.	Midlothian, TX 76065	timothygarner@groutdoctor.com	469-231-1675
61	Texas	(Plano/Richardson)	Timothy & Michelle Garner	1301 Embercrest Dr.	Midlothian, TX 76065	timothygarner@groutdoctor.com	469-231-1675
62	Texas	Haeffner, LLC (Houston/Cypress))	Matt & Chelsey Haeffner	9421 FM 2920 Rd., Bldg 28A6	Tomball, TX 77375	matthaeffner@groutdoctor.com	512-514-3060
63	Texas	Haeffner, LLC (Houston/The Woodlands)	Matt & Chelsey Haeffner	9421 FM 2920 Rd., Bldg 28A6	Tomball, TX 77375	matthaeffner@groutdoctor.com	512-514-3060
64	Utah	Kinemetrix, LLC	Randy James	1940 Evergreen Avenue	Salt Lake City, UT 84106	randyjames@groutdoctor.com	801-243-8298
65	Utah	Got Grout, Inc.	Matthew & Julianna Ahrend	760 East 3155 South	Salt Lake City, UT 84106	matthewahrend@groutdoctor.com	801-381-4967
66	Virginia	The W & W Management Co., Inc.	Richard & Christine Williamson	270 Branch Creek Way	Stafford, VA 22556	richardwilliamson@groutdoctor.com	703-906-7695
67	Virginia	LAX Ventures, LLC (Roanoke/Lynchburg)	Andrew Blanton	1701 Arlington Rd SW	Roanoke, VA 24015	andrewblanton@groutdoctor.com	540-330-7319
68	Virginia	LAX Ventures, LLC (Richmond)	Andrew Blanton	1701 Arlington Rd SW	Roanoke, VA 24015	andrewblanton@groutdoctor.com	540-330-7319
69	Washington	Trustart, Inc.	John Stat	10288 NE 129th Lane	Kirkland, WA 98034	johnstart@groutdoctor.com	425-681-3409
70	Washington		Steve & Sandi Paradiso	1114 South Harrison Street	Kennewick, WA 99338	steveparadiso@groutdoctor.com	509-308-6373
71	Wisconsin	Platow Enterprises, LLC	Daniel Platow	W199 S 8565 Bendingbrae Dr	Muskego, WI 53150	danplatow@groutdoctor.com	262-617-0645
72	Wisconsin	Background Productions	Derek & Joy Meinen	N 120 W 14708 Freistadt Road	Germantown, WI 53022	derekmeinen@groutdoctor.com	262-422-1920

INDEPENDENT GROUT DOCTORS

	STATE	GROUP NAME	DIRECTOR	ADDRESS	CITY, STATE, ZIP	EMAIL	PHONE
1	California		Mathew Belina	1809 Landana Drive	Concord, CA 94519	mathewbelina@groutdoctor.com	925-827-5683
2	California		Charlie Mitchell	9331 E Mesa	Clovis, CA 93611	charliemitchell@groutdoctor.com	559-262-4665
3	California		Charles Pellicci	565 Bellevue Avenue, Suite 1106	Oakland, CA 94610	charlespellicci@groutdoctor.com	510-893-0463

AFFILIATE- OWNED GROUPS

	STATE	GROUP NAME	AREA	ADDRESS	CITY, STATE, ZIP	EMAIL	PHONE
1	Arizona	Grout Doctor Global Development, LLC	Tucson	2150 S. 1300 East, Ste 500	Salt Lake City, UT 84106	gdgdllc@groutdoctor.com	801-487-5579
2	Pennsylvania	Grout Doctor Global Development, LLC	Philadelphia (Northwest)	2150 S. 1300 East, Ste 500	Salt Lake City, UT 84106	gdgdllc@groutdoctor.com	801-487-5579
3	Texas	Grout Doctor Global Development, LLC	Houston	2150 S. 1300 East, Ste 500	Salt Lake City, UT 84106	gdgdllc@groutdoctor.com	801-487-5579
4	Virginia	Grout Doctor Global Development, LLC	Richmond 1	2150 S. 1300 East, Ste 500	Salt Lake City, UT 84106	gdgdllc@groutdoctor.com	801-487-5579
5	Virginia	Grout Doctor Global Development, LLC	Richmond 2	2150 S. 1300 East, Ste 500	Salt Lake City, UT 84106	gdgdllc@groutdoctor.com	801-487-5579

FORMER AFFILIATE GROUPS: NONE

FRANCHISEES WHO HAVE HAD AN OUTLET TRANSFERRED, TERMINATED, CANCELLED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER A DIRECTOR'S AGREEMENT DURING THE MOST RECENTLY COMPLETED FISCAL YEAR OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE DISCLOSURE DOCUMENT ISSUANCE DATE*:

TRANSFERRED FRANCHISEES

	STATE	FRANCHISEE	ADDRESS	CITY, STATE, ZIP	PHONE
1	Alaska	Aaron Daniels	1528 Nichols St.	Anchorage, AK 99508	907-748-4102
2	Florida	Douglas & Barbara Nelson	4952 Laurel Hill Dr.	Venice, FL 34293	941-408-3868
3	Missouri	Andrew Worley	P.O. Box 9412	Kansas City, MO 64133	816-820-4930
4	South Carolina	Rich Chapella	541 Harbour Place Ct.	Lexington, SC 29702	803-730-6826

TERMINATED FRANCHISEES: NONE

STATE	FRANCHISEE	ADDRESS	CITY, STATE, ZIP	PHONE

* If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "H"
TO THE DISCLOSURE DOCUMENT

STATE ADDENDA

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.

3. 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.)

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

5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

6. The franchise agreement requires binding arbitration. The arbitration will occur in Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.

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

9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.

10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. OUR WEBSITE at www.groutdoctor.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FOR THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Department of Commerce and Consumer Affairs
Business Registration Division
Commissioner of Securities
335 Merchant St., 2nd Floor
Honolulu, HI 96813

1. The Hawaii franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with Hawaii law, the law will control.

3. 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.)

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Hawaii law.

5. The franchise agreement requires application of the laws of the State of Utah. This provision may not be enforceable under Hawaii law.

6. The franchise agreement requires you to purchase certain goods from designated sources of supply. This provision may not be enforceable under Hawaii law unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds.

7. Upon termination or refusal to renew the franchise, Hawaii law requires that the franchisee be compensated for the fair market value of the franchisees inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of

converting the franchisees business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisees inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any monies due the franchisor.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.

- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.

- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.

- Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ITEM 17 of the disclosure document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, Ill. Rev. Stat. Ch. 815 Par. 705/1 – 705/44.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FOR THE STATE OF INDIANA

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

1. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall apply to the franchise agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

> "Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.
>
> At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee's right to a trial on any of the above matters."

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FOR THE STATE OF MARYLAND

ITEM 17 of the Disclosure document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

- A franchisee may bring a lawsuit in 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.

- Maryland law shall prevail.

- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

   > Minnesota statute ‘ 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ‘ 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee’s right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.

6. Any limitation of claims must comply with Minn. Stat. ‘ 80C.17, subdivision 5.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

RISK FACTORS:
INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. ITEM 3 of the disclosure document is amended by the addition of the following language:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil, misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. ITEM 4 of the disclosure document is amended to state that:

Neither the franchisor, its affiliate, its predecessor, nor its officers or general partner, during the 10- year period immediately before the date of the disclosure document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

The following language applies to any franchise agreement issued in the State of Rhode Island;

Section 19-28.1-14 of the Rhode Island Franchise Investment Act dictates 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."

Section 19-28.1-5 of the Rhode Island Franchise Investment Act states that, "A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by a right provided by this Act or a rule or order under this Act is void. An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act."

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Grout Doctor Global Franchise Corp. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosures.

The following statements are added to Item 17.h:

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and area developer 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.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the franchise agreement and area developer agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR 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 of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

Transfer fees are collectable if they reflect the Franchisor=s reasonable estimated or actual costs in effecting a transfer.

ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FOR THE STATE OF WISCONSIN

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following shall apply to Franchise Agreements in the State of Wisconsin:

    a. The Wisconsin Fair Dealership Act, Wisconsin Statues, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.

    b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

EXHIBIT I
TO DISCLOSURE DOCUMENT

GDD – Grout Doctor Data Center Services

Please complete the attached enrollment form and fax it to 877-615-2173 as soon as possible. Please feel free to call Reggie at 877-476-8800, Extension 712 if you have any questions.

1. REGULAR SERVICE - $135.00 PER MONTH
   - Voice Mail messages are retrieved and notification sent 2x day (7-9 am and 4-6 pm) M-F (except on 5 major holidays).
   - Messages are input into your Grout Doctor® Franchise Management Software (Sandstone).
   - Urgent or time sensitive messages will be e-mailed to the address(es) designated in your Grout Doctor® Franchise Management Software (Sandstone) when they are retrieved. If no cellular e-mail is listed, we will call your cellular number.
   - Free estimate web leads are forwarded to the e-mail addresses designated in your Grout Doctor® Franchise Management Software (Sandstone).
   - Each month, a minimum of 5 Customer Service Surveys will be performed on your prospects/customers.

   OPTIONAL
   - Saturday AM Message Retrieval and Distribution - $15.00 mo.

2. EXPANDED SERVICE - $165.00 PER MONTH
   This service includes all of the above services plus …
   - Voice mail messages are retrieved, entered into your Grout Doctor® Franchise Management Software (Sandstone) and emailed 3xdaily (7-9am, 11am-1pm and 4-6pm) M-F (except on 5 major holidays) or you may request notification when each call is received at your assigned Grout Doctor® phone number.
   - Saturday morning messages are retrieved and emailed between 11 am and 2 pm

IMPORTANT NOTE: Messages are distributed to the email addresses you designate in your Grout Doctor® Franchise Management Software (Sandstone). Every effort will be given to accommodate special requests for variations in time that messages are distributed.

TERMS / PAYMENT OPTIONS .....

- Payments are due on the 1st of each month by automatic bank draft or credit card payment.
- Add $5 per month for receiving messages by fax instead of email.
- Add $5 per month for monthly invoicing/payment by faxed check.

Enrollment Agreement for Services
Grout Doctor Data (GDD)
Email: gdd@groutdoctor.com
Phone: 877-476-8800 Ext. 726
Fax: 877-615-2173

_____	_____
Start Date	Grout Doctor Voice Mail #
_____	_____
Grout Doctor Name	Home Phone Number
_____	_____
Cellular Service Provider	Cellular Phone Number
_____	_____
Cellular E-Mail Address (if known)	Fax Number (if applicable

Please list any other names that may be mentioned in customer messages, such as spouse, assistant, technicians, etc.

_____ _____
_____ _____

Please select one of the following service options and all other options desired:

☐ REGULAR SERVICE $135 mo. (messages 2 x day, between 7-9am and 4-6pm)
☐ Optional Saturday Message Retrieval and Distribution - $15 per month
☐ EXPANDED SERVICE $165 mo. (messages 3x day, 7-9am, 11-1pm, 4-6pm) or notification as call received.

Please list any special requests for alternate message times here _____.

☐ Add $5.00 per month for monthly invoicing (otherwise automatic bank draft or credit card payment is required)
☐ Add $5.00 per month for faxing services.
☐ Add $5.00 per month for payment by check (faxed check is required)

Messages will be e-mailed to the address(es) designated in your Grout Doctor® Franchise Management Software (Sandstone).
Urgent/time sensitive messages will be e-mailed to the addresses designated in your Grout Doctor® Franchise Management Software (Sandstone).
If no cellular e-mail is available, we will call your cellular number to relay urgent/time sensitive messages.

I/we understand and agree to the following conditions and fees:

A 10% late fee will be applied to all payments received after the 10th of each month.
Data Center services may be interrupted if payment is not received by the 30th of each month.
Data Center services may be interrupted if other fees due to GDGF or other Grout Doctor® affiliates are not received by the 10th of each month.
There is a $25 NSF fee and after 2 occurrences, an alternative payment method will be required.

By executing this agreement, I acknowledge and agree to the sharing of information between GDGF, GDD, and other Grout Doctor affiliates.

_____ _____
Grout Doctor's Signature Date

ATTACHMENT A
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 Grout Doctor Global Franchise Corp offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Grout Doctor Global Franchise Corp 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 administrator listed in Exhibit C.

The franchisor is Grout Doctor Franchise Corp located at 2150 South 1300 East, Suite 500, Salt Lake City, Utah 84106. The franchisor's phone number is (877) 476 -8800, Extension 712.

The names, addresses and phone numbers of each franchise seller offering this franchise is as follows:

NAME	ADDRESS	PHONE NUMBER
James C. Sneyd	610 Sagewood Ct, Woodstock, GA 30189	404-597-4615

The issuance date of this disclosure is March 23, 2018.

Grout Doctor Global Franchise Corp authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated March 23, 2018 that included the following Exhibits:

A	Franchise Agreement and its Exhibits	F	Table of Contents of Operations Manual
B	Financial Statements	G	Schedule of Franchisees and Locations of Grout Doctor Global Franchise Corp.
C	List of State Administrators responsible for Franchise Disclosure and Registration Laws	H	State Addenda (if applicable)
D	List of Agents for Service of Process	I.	Grout Doctor Data Center Enrollment Form Receipts
E	Release Agreement		

Please sign and print your name below, date and return one copy of this receipt to Grout Doctor Global Franchise Corp and keep the other for your records.

Date: _____

_____	_____
Prospective Franchisee's Signature	Prospective Franchisee's Signature
_____	_____
Printed Name	Printed Name
_____	_____
By (Officer of Legal Entity)	Printed Legal Name of Entity

Retain this copy for your records.

ATTACHMENT B
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 Grout Doctor Global Franchise Corp offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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E	Release Agreement		

Please sign and print your name below, date and return one copy of this receipt to Grout Doctor Global Franchise Corp and keep the other for your records.

Date: _____

_____	_____
Prospective Franchisee's Signature	Prospective Franchisee's Signature
_____	_____
Printed Name	Printed Name
_____	_____
By (Officer of Legal Entity)	Printed Legal Name of Entity

Return this copy to us.