FRANCHISE DISCLOSURE DOCUMENT

Wise Coatings Franchises LLC
a Florida limited liability company
108 Commerce Street Suite 105
Lake Mary, Florida 32746
407-336-9473
www.wisecoatingspartners.com

You will operate a business that provides custom floor coatings and garage storage solutions for both residential and commercial customers.

The total investment necessary to begin operation of a Wise Coatings franchise ranges from $174,840 to $199,625 for a Territory containing between 175,000 and 225,000 households. This includes $101,340 that must be paid to the franchisor or affiliate for a single Territory.

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 Whitney White, 108 Commerce Street Suite 105, Lake Mary, Florida 32746.

The terms of your contract will govern your franchise relationship. Do not 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.

Date of Issuance: April 30, 2025 as amended June 27, 2025

How To Use This Franchise Disclosure Document

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should **also** try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or may be obligated to pay at the franchisor's direction. Item 7 lists the estimated initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes our financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Wise Coatings business in my area?	Item 12 and the "territory" provisions in the Franchise Agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wise Coatings franchisee?	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What you Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if your business is losing money.

Business model can change. The Franchise Agreement may allow the franchisor to change its manuals, operational requirements, and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Suppler restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The Franchise Agreement may prohibit you from operating a similar business during the term of the franchise agreement. There are usually other restrictions. Some examples may include controlling your location selection, your access to customers and business data, what you sell, how you market, and your hours of operation.

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation and/or arbitration in Florida. Out-of-state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and arbitrate with us in Florida than in your home state.

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. The guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

5. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your Franchised Business.

6. **Unregistered Trademark**. The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

7. **Mandatory Minimum Payments**. You must make (minimum advertising payments for the first year), and other payments, regardless of your sales levels. Your inability to the payments may result in termination of your franchise and loss of your investment.

Certain States may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

MICHIGAN NOTICE

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

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

(c) A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity that in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials that have no value to the franchisor and inventory, supplies equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area after to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

  (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to

franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision that permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the Franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to: Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913 (517) 373-7117.

TABLE OF CONTENTS

ITEM		PAGE
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	2
ITEM 2	BUSINESS EXPERIENCE	3
ITEM 3	LITIGATION	3
ITEM 4	BANKRUPTCY	3
ITEM 5	INITIAL FEES	4
ITEM 6	OTHER FEES	4
ITEM 7	ESTIMATED INITIAL INVESTMENT	10
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	13
ITEM 9	FRANCHISEE'S OBLIGATIONS	15
ITEM 10	FINANCING	17
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	17
ITEM 12	TERRITORY	24
ITEM 13	TRADEMARKS	25
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	25
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	27
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	28
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	29
ITEM 18	PUBLIC FIGURES	35
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	35
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	35
ITEM 21	FINANCIAL STATEMENTS	42
ITEM 22	CONTRACTS	42
ITEM 23	RECEIPTS	42

EXHIBITS

Exhibit A	List of State Administrators
Exhibit B	List of Agents for Service of Process
Exhibit C	Franchise Agreement and Exhibits
Exhibit D	Telephone Number and Website URL Assignment
Exhibit E	Confidentiality and Nondisclosure Agreement
Exhibit F	Financial Statements
Exhibit G	List of Current Franchisees and Franchisees Who have Left the System
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	General Release (Sample Form)
Exhibit J	State-Specific Addenda
Exhibit K	State Effective Dates
Exhibit L	Receipts

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

To simplify the language in this disclosure document, the words "we," "our," and/or "us" refer to Wise Coatings Franchises LLC, a Florida limited liability company, the franchisor of this business. "You" and "your" refer to the person who buys the franchise, the franchisee, whether you are a corporation, limited liability company, or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure document also apply to your owners where noted.

The Franchisor and any Parents, Predecessors, and Affiliates

We are a limited liability company organized in Florida on April 13, 2021 and we offer Wise Coatings franchises. Our principal business address is 108 Commerce Street Suite 105 Lake Mary, Florida 32746. We do business under our corporate name and our trade name Wise Coatings. Our agents for service of process are listed in Exhibit B to this disclosure document.

We have no parent company. Our affiliate, Wise Coatings, LLC ("WC"), an Oregon limited liability company, was formed on October 29, 2020. WC currently operates a floor coatings services company similar to the business franchised under this disclosure document in Portland, Oregon under the WISE COATINGS marks. WC shares our principal business address and has never offered franchises in any line of business.

Our affiliate, PolyWise LLC ("PolyWise") was formed on April 13, 2021 and sells certain equipment, supplies, materials, and tools to our franchisees. PolyWise shares our principal business address. PolyWise has never offered franchises in any line of business.

Our affiliate Wise IP LLC ("Wise IP"), an Oregon limited liability company, was formed on March 26, 2021, and owns the Marks and licenses us the right to use them and to sub-license their use to franchisees. Wise IP shares our principal business address, and has never offered franchises in any line of business.

We have been offering Wise Coatings franchises since May 28, 2021, and have never offered franchises in any other line of business. We do not engage in any other business activities. We have never operated a business of the type being franchised, but WC has operated a business of the type being franchised since October 29, 2020.

The Franchise Offered

We franchise the right to operate a Wise Coatings business providing custom floor coatings and garage storage solutions for both residential and commercial customers using our proprietary business format, products, and techniques (the "System").

Our franchisees conduct business under the trade name Wise Coatings and also use our other related service marks, trademarks or logos (our "Marks"), and our standards, methods, procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate, all of which we may change, improve, and further develop (our "Standards").

If we award you a franchise, you will sign a franchise agreement (see Exhibit C, the "Franchise Agreement") and will develop and operate a business using our System, Standards, and Marks, at a location that you select and that we have accepted as meeting our minimum site criteria. We call this the "Franchised Business." You will operate the Franchised Business from a home office or a stand-alone commercial office, with storage capacity to hold service tools, products, and equipment.

General Description of the Market and Competition

The market for custom floor coatings and garage storage solutions is developing and competitive. You will compete with other businesses offering similar services, including other regional and local chains, big-box stores such as Sherwin Williams, Home Depot and Lowes, as well as individual business owners.

Typically, the need for our services is not seasonal, although you may experience months in which inclement weather is a factor and cold temperatures can limit your installations.

Regulations Specific to the Industry

We are not aware of any laws or regulations specific to custom floor coatings and garage storage solutions.

Some jurisdictions may have ordinances and regulations for water usage, usage of chemicals and products, and some state and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of businesses in general.

You must follow local and state laws, orders, and ordinances, especially essential worker or personal protection equipment requirements to address personal, employee, and public health concerns. Further, you may want to consider relevant guidance issued by federal agencies such as the Center for Disease Control and Occupational Safety and Health Administration for the safety of your customers and employees.

Additionally, you may be required to obtain other certifications and be a licensed contractor, or be required to bond, depending on your local or state requirements. You must investigate and comply with all applicable federal, state, county and city laws and regulations applicable to operating the Franchised Business in your geographic area.

ITEM 2
BUSINESS EXPERIENCE

Founder: Brandon Vaughn

Mr. Vaughn previously served as Chief Executive Officer from April 2021 to March 2023, and as a Managing Member of PolyWise since April 2021 in Troutdale, Oregon. Brandon is also the Managing Member of WC since its inception in October 2020 in Portland, Oregon. He has served as Chief Executive Officer for Automate Grow Sell, LLC in Troutdale, Oregon since July 2017. From January 2012 to August 2018, he served as Chief Executive Officer of All-Clean Property Maintenance, LLC in Troutdale, Oregon.

Chief Executive Officer: Whitney White

Ms. White has served as Chief Executive Officer for us since April 2024, and as a Managing Member of PolyWise since April 2021 in Troutdale, Oregon. She served as Chief Operating Officer for us from April 2021 to April 2024. She served as Managing Director for HRHIC Industries, Inc. in Sanford, Florida, from November 2013 to March 2021.

Director of Onboarding and Administration: Yasmine Stones

Ms. Stones is the Director of Onboarding and Administration in Lake Mary, Florida beginning in January 2024 to present. Ms. Stones was the Operations Administrator for Wise Coatings from January 2022 through January of 2023 in Lake Mary, Florida,. She previously worked as an Account Floor Manager for Awesome OS in Los Angeles, California from April 2017 to January 2022.

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

Initial Franchise Fee:

You will pay us an initial franchise fee of $50,000 for a Wise Coatings Franchised Business. The initial franchisee fee will cover territory consisting of between 175,000 and 225,000 households ("Territory"), as we deem appropriate.

If you purchase two or more Territories, your initial franchise fee will be discounted as follows: for two Territories $89,000, for three Territories $118,000, for four Territories $143,000, and for five Territories $162,500.

Veterans of the U.S. Armed Forces are eligible to receive a $5,000 discount on their Initial Franchise Fee for the first franchise awarded. To qualify for the discount, the veteran must own at least a 50% interest in the franchise. "Veteran" means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense Form DD-214. It is the veteran's responsibility to send us the Form DD- 214 in order to obtain the discount.

The initial franchise fee is due when you sign the Franchise Agreement. In general, the initial franchise fee is uniformly imposed and is fully earned upon receipt and is not refundable.

Initial Inventory Package

You will pay our affiliate PolyWise a minimum of $20,500 for your initial inventory, exclusive of shipping charges. You may, at your own discretion, choose to purchase more inventory prior to opening, which includes certain materials for use in the operation of the Franchised Business. Initial inventory includes, but is not limited to, approximately one months' supply of proprietary coating inventory such as epoxy, polyaspartic, flake, crack repair materials and chemicals. The initial inventory fee is not refundable for any reason and the inventory order cannot be cancelled or returned for a refund.

Initial Equipment Package

You will pay our affiliate PolyWise approximately $30,840 for your initial equipment package, exclusive of shipping charges. The required equipment includes: large grinder and bits for grinder, hand grinder and bits for the hand grinder, and two large industrial vacuums. The initial equipment fee is not refundable for any reason and the equipment order cannot be cancelled or returned for a refund.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of: (i) The percentage of Collected Gross Revenue in accordance with the following schedule: 5% of Collected Gross Revenue [1] Or (ii) The	Monthly	Beginning 6 months after the effective date of your signed Franchise Agreement, you must pay the greater of (a) your Royalty Fee or (b) the minimum Royalty Fees via ACH directly to us on or before 5:00 PM ET on the fifth day of each month (unless this day is a weekend or holiday, then on the business day before).

Type of Fee	Amount	Due Date	Remarks
	minimum monthly Royalty Fee in accordance with the following schedule: Months 6-12 - $1,500/month Months 13-47 - $2,100/month Months 48 thru remainder of Term - $3,000/month		
Marketing Fee	Currently, 2% of Collected Gross Revenue	Monthly	An amount we determine periodically, but not to exceed 3% of Collected Gross Revenue.
Local Advertising	Following Onboarding: $4,500 per month thru remainder of the term	As incurred	Onboarding is defined as weeks 1-8 immediately following the Effective Date. Additionally, we may require your expenditures be used in cooperative advertising.
Additional Training Fee	$1,000 per day per person	As incurred	Payable only if you bring new principals into the franchise or request additional training from us.
Audit Expenses[2]	All costs and expenses associated with audit, approximately $1,500 - $5,000	Upon demand	Audit costs payable only if the audit shows you have not spent a minimum of $4,500 on local advertising or if you underreported amounts you owe us by 3% or more.
Interest Charges and Late Fees[3]	15% per month or the highest rate allowed by law, if less. For unpaid Royalty Fees, Marketing Fees, and other unpaid fees, there is also a late fee of an additional 1.5% of Collected	Upon demand	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit.

Type of Fee	Amount	Due Date	Remarks
	Gross Revenue		
Supplier Testing	Actual costs of evaluation, approximately $500 to $1,000	Time of evaluation	You pay us the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Insurance	Reimbursement of our costs	On demand	If you do not obtain the required insurance, we may (but are not required to) obtain insurance on your behalf.
Transfer Fee	$10,000	At the time of transfer	Payable to us at time of transfer. Does not apply to an assignment to a corporate entity owned by you for convenience.
Renewal Fee	$5,000	At the time of renewal	Payable to us if you renew your Franchise Agreement under the then-current terms.
Late Renewal Fee	$1,500	As incurred	Payable if you sign the renewal Franchise Agreement after your Franchise Agreement expires. The Late renewal Fee is in addition to the Renewal Fee and will continue to accrue until you sign the then-current Franchise Agreement.
Late Reporting Fee	$250 per report per incident	On demand	Payable only when you do not provide required reports to us within three business days of the due date
Non-Compliance Fee[4]	$750 per infraction plus our costs associated with your non-compliance	Upon demand	If there are three or more infractions or defaults in any 12-month period (whether or not such defaults or infractions are cured after notice), we reserve the right to terminate your Franchise Agreement.
Quality Assurance Inspection	$300 per inspection	On demand	Payable by you to us if we audit your Franchised Business
Mystery Shopper Program	Actual costs of the mystery shop plus	On demand	Payable by you to us if we use a third-party mystery shopper to audit your

Type of Fee	Amount	Due Date	Remarks
	Franchisor's administrative costs, up to $300		Franchised Business
Additional Ongoing Training	Up to $1000 per day, per person per training program	Time of training	We may require you to attend ongoing training programs or seminars during the term of the franchise. We will not require attendance to more than one session or not more than five days during any calendar year.
On-Site Training Cancellation Fee	Our then-current on-site training cancellation fee, the greater of $500 per person per day or our actual costs due to your cancellation	Upon demand	May vary depending upon the type of scheduled training program and how far in advance you notify us in writing of the cancellation.
Conference Registration Fee	$1,000 per person per conference	Prior to conference	We may host an annual conference (which is mandatory for you to attend) and charge you the Conference Registration Fee. Once paid, the Conference Registration Fee is non-refundable. If you fail to attend any required conference you will still owe us a $1,000 conference registration fee for the missed conference.
Additional Operations Assistance	Currently, $600 per day plus our expenses	Time of assistance	We provide assistance around the beginning of operations as part of your initial training. You pay for additional operations assistance if you request it.
Cost of Enforcement	All costs including attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail.
Indemnification[5]	All costs including attorneys' fees	Upon demand	You must defend claims and lawsuits at your cost and hold us harmless against claims and lawsuits arising from your operation of the

Type of Fee	Amount	Due Date	Remarks
			Franchised Business. We also provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks.
Management Fee	$300 per day, plus out of pocket expenses	Within 7 days of invoice	We have the right, but not the obligation, to step in and operate your Franchised Business for you in certain circumstances due to your failure to operate in accordance with our Standards or due to your disability, incapacity, or death
Liquidated Damages for early termination	Amount equal to the average monthly Royalty fees and Marketing Fees during the immediately prior 12-month period times the less of (a) the remaining term or (b) 24 months	Upon Demand	Payable only if you prematurely cease operations or if we terminate the Franchise Agreement on account of your material breach.
Costs and Attorneys' Fees	Actual attorney fees and costs as incurred	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Default Fee	$1,500 per event of default, plus the cost of re-inspections and the costs of enforcing compliance	Within 3 days of our demand.	Applies if you are in default under this Agreement.
Technology Fee	$750 per month. Subject to annual increase, not to exceed 10% from prior year.		The Technology Fee provides you access to your email address under Franchisor's domain, one webpage, and other technology Franchisor may decide to include. This may be paid directly to the Franchisor; however,

Type of Fee	Amount	Due Date	Remarks
			the Franchisor may require you to pay the fee directly to a third-party.
Call Center	Actual Cost	As Incurred	If your phone rings more than 3 times and you are unable to answer the call, it will automatically roll over to our call center. If this occurs, you will be billed per minute at the supplier's then-current billing rate.

Except as otherwise noted below, all fees are uniformly imposed by and are payable to us. All fees payable to us are non-refundable.

Except for the Royalty Fees and Marketing Fees, all fixed dollar fees due under the Franchise Agreement will be adjusted as of January 1 of each year in proportion to the changes in Consumer Price Index, subject to an annual Inflation Adjustment, not to exceed an increase of 2% per year; except to round upwards to the nearest whole dollar ("CPI-U Adjustment"). The term "Inflation Adjustment" refers to our right to increase a fee, or obligation to decrease a fee, based upon an increase or decrease in the Index. The "Index" refers to the CPI-U (U.S. average, all items) maintained by United States Department of Labor (or such equivalent index as may be adopted in the future) between January 1, 1995 and January of the then-current year, or a comparative index we may select if the Index is no longer published. Each adjustment will be made effective on January 1 based on the January Index, but the first adjustment will not be made until at least 12 months following your Franchise Agreement effective date. We will notify you of any inflationary adjustments with a minimum ten (10) days' notice to you. We may also pass through any supplier or provider price increase to us after providing ten (10) days' notice.

NOTES

Note 1. "Collected Gross Revenue" means all collected revenues from the Franchised Business, including the entire amount of the sale price, whether for cash, credit, payment in kind (valued at fair market value), or otherwise, of all sales, including but not limited to the sale of any services or products from or in connection with the operation of the Franchised Business. No deductions shall be allowed from Collected Gross Revenue except for the following: (a) sums collected by or on behalf of the Franchisee for any governmental authority on account of sales taxes, services taxes, or other taxes imposed directly upon the sale of goods or services (or both) from the Franchised Business, provided that the amount of any such tax has in fact been paid or otherwise accounted for by the Franchisee to the appropriate governmental authority; (b) the amount of any refund or credit given in respect of any services or products provided to a customer of the Franchised Business for which a refund of the whole or part of the purchase price is made, or for which a credit is given: as long as such refund or credit is given in accordance with our policies and procedures in relation to refunds set out in our operations manual; (c) amounts for uncollected or uncollectable credit accounts as long as such credit accounts are deemed uncollected or uncollectable in accordance with the our policies and procedures in relation to uncollected of Uncollectable credit accounts set out in the our operations manual; and (d) amounts uncollected from a customer of the Franchised Business due to discount coupons that were approved for use in advance by us. Collected Gross Revenues also does not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and stored value cards at the time purchases are made. You are responsible for the accurate reporting of gift certificate and stored value card sales and the corresponding impact on Collected Gross Revenues. Where the operation of the Franchised Business has been interrupted, all sales assumed to have

been lost by the Franchisee by virtue of such interruption, being the basis upon which an insurer has paid business interruption insurance, shall also be included in the calculation of Gross Revenue. Gross Revenue includes all barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier or customer. Such transactions will be valued at the full retail value of goods and services bartered in exchange for the good or services provided to you. Gross Revenue also includes the proceeds of any business interruption insurance paid to you. Gross revenue also includes any payments you receive from vendors. Chargebacks are not deducted from Gross Revenues.

Note 2. You pay our actual costs only.

Note 3. Interest and late fees begin to accrue from the date payment was due, but not received, or date of underpayment.

Note 4. An "infraction" means a failure to follow our System or violating our Standards as set out in our Confidential Operations Manual, or the terms of the Franchise Agreement.

Note 5. Any costs you incur related to replacement of your service vehicle, or for your indemnification regarding insurance obligations, are paid directly to other third parties.

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
Franchise Fee[1]	$50,000	Lump sum (check, wire transfer, or credit card)	At Signing of Franchise Agreement	Us
Real Estate/Rent[2]	$0 to $2,000	Per lease	Monthly	Lessor
Initial Inventory Package [3]	$20,500	Lump sum	Before Beginning Operations	Us
Initial Equipment Package[3/4]	$30,840	Lump Sum	Before Beginning Operations	Us
Grand Opening Advertising	$10,000	Lump Sum	Before Beginning Operations	Approved and third-party suppliers
Vehicle[4]	$12,400 to $14,800	Lump sum	Before Beginning Operations	Auto leasing company
Uniforms[5]	$150 to $500	Lump sum	Before Beginning Operations	Suppliers
Computer & Software[6]	$0 to $2,000	As invoiced	As arranged	Approved and third-party suppliers
Training[7]	$2,500 to $4,000	Lump sum	During Training	Airlines, hotels and restaurants
Criminal Background Checks [8]	$200 to $235	As invoiced	Monthly	Approved and third-party suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Marketing Materials[9]	$1,000 to $1,750	As invoiced	As arranged	Approved and third-party suppliers
Insurance[10]	$750 to $1,500	As invoiced	Before Beginning Operations	Insurance company
Business License [11]	$0 to $1,000	As incurred	As arranged	Governmental agency
Legal & Accounting[12]	$1,500 to $2,000	As incurred	As arranged	Attorney and accountant
Additional Funds[13] (3 months)	$45,000 to $58,500	As incurred	As necessary	Employees and suppliers
TOTAL[14]	$174,840 to $199,625			

All payments listed above that are payable directly to us are not refundable. All payment paid to third parties are refundable at the discretion of the third party.

NOTES

Note 1. The initial franchise fee is $50,000 for a Territory consisting of between 175,000 to 225,000 households. If you purchase two or more Territories, your initial franchise fee will be discounted as follows: for two Territories $89,000, for three Territories $118,000, for four Territories $143,000, and for five Territories $162,500. Neither we nor our affiliate offer direct or indirect financing for the initial investment to purchase the franchise.

Note 2. You can operate the Franchised Business from either an office you set up in your home or a commercial space we approve. You will also need up to 100 to 2,000 square feet of space to store service tools and equipment, which you may utilize a leased storage unit. You must also have access to a dumpster to dispose of unused products; this dumpster may be rented, purchased or come provided with your commercial storage space The low estimate assumes that you have adequate storage space in an attached garage or other home-based storage area. The high estimate assumes that you will lease storage space and will pay a security deposit equal to two (2) months' rent to lease the unit.

Note 3. You must purchase certain materials, chemicals, tools, and ancillary items for use in the operation of the Franchised Business that we specify. Initial inventory includes approximately one months' worth of proprietary coating inventory such as epoxy, polyaspartic, flake, and crack repair materials. Initial equipment includes: large grinder and bits for grinder, hand grinder and bits for the hand grinder, two large industrial vacuums.

Note 4. You will need a vehicle that meets our current specifications to accommodate the required equipment and you will be required to wrap the vehicle according to our specifications. We have negotiated with an auto leasing company to provide our franchisees with the best price for their vehicle and you are required to use our designated auto leasing vendor. This estimate assumes a $10,000 to $12,000 down payment on the vehicle, which includes the first month's lease payment (which is based upon your credit score). We estimate the monthly payment to range from $1,200 to $1,400. Without using our leasing option, the estimated cost for this package is $75,000.00.

You must also purchase certain service equipment for use in operation of the Franchised Business that we specify. The necessary equipment for the operation of your Franchised Business includes a liftgate,

shelving, and wrap for the vehicle; we highly recommend that you use our equipment vendor to lease your equipment package, but it is not required.

Note 5. The range of costs provided represents an initial supply of uniform shirts that meet our standards and specifications. The costs will vary depending on the number of employees that you hire and the quantity of uniform shirts that you order.

Note 6. You must either currently possess or purchase a computer and at least one mobile/tablet device that supports the software we require you to use. Your computer and mobile/tablet device must be capable of supporting any technologies and software we require; if it does not, you are required to purchase a computer or system that supports our required software and technologies. The low estimate assumes you currently possess computer and mobile/tablet device capable of supporting required software. Currently franchise provides required software such as House Call Pro, QuickBooks, point-of-sale, Gusto, business management, and accounting software.

Note 7. Our charge for providing our initial training for up to three individuals, which must include you is included in the franchise fee, but you are responsible for travel, local transportation, meals, and lodging incurred to attend initial training. These individuals must all attend our initial training at the same time. The total cost will vary depending on how many attendees you have, and on how far you travel and the type of accommodations you choose.

Note 8. Currently the monthly fee for this service is approximately $69 per month and the amount disclosed in the chart above is based on three month of operation of your Franchised Business. You must register for and utilize our third-party vendor, The Seal, to screen all current and potential employees on a yearly basis. This amount includes your set-up fees while the high end includes the monthly fee plus an additional allocation for your required employee screening. You will be required to furnish proof of the outcome of these background checks upon our request. Failure to obtain this background check will result in default of your franchise agreement and a monetary fine of $100 per day until the default is cured. If this is the first year of your Wise Coatings business, you are required to furnish proof of the criminal background checks for all employees thirty (30) days prior to Opening Date. Your cost is subject to increase per third-party vendor.

Note 9. You must use only the marketing materials we approve and for the period of time for which they are approved.

Note 10. You must purchase insurance as required by state law and of the type and with minimum limits as we specify. While there is no specific approved vendor for this item, you are required to purchase from a certified and/or accredited insurance company. See Item 8 for more information. The range shown estimates the cost of coverage for a three month period.

Note 11. Dependent upon what state your business is located within, you may be required to obtain various business licenses or certifications. The low end of the range estimates that you currently have the certifications or licenses needed to operate this business while the high end of the range estimates how much it may cost to obtain all recommended or required licenses. Your actual cost may vary based on your current situation.

Note 12. You will need to employ an attorney, an accountant and other consultants to assist you in setting up your business.

Note 13. We set forth an estimate of your needed additional funds for a three-month period. You may need these funds to pay fixed operating expenses such as rent, employee salaries, payroll taxes, utility charges, license and permit fees, and to purchase uniforms, supplies, and collateral merchandise. The amounts in the chart do not include any allowance for debt service or for a salary for you. These amounts are estimates only, and we cannot assure you that you will not have additional expenses. This estimate is based on our affiliate's experience in the industry operating similar business.

Note 14: In compiling this chart, we relied on our and our affiliates' industry knowledge and experience.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases or Leases from Approved and Designated Suppliers

You must purchase from our affiliate, PolyWise, your initial inventory and equipment package, which includes certain chemicals and other proprietary materials (such as epoxy, polyaspartic, flake, and crack repair materials) as well as a large grinder and bits for grinder, hand grinder and bits for the hand grinder, two large industrial vacuums. You will continue to purchase all epoxy, polyaspartic, flake, and crack repair materials from Polywise, along with such other items as we designate from time to time, on an on-going basis throughout the term of your franchise agreement. You must purchase from our designated suppliers certain tools, equipment, and non-proprietary coatings product and other goods as we designate; and you must purchase from our designated or approved third party suppliers your vehicle wraps, brochures, and business cards, and all collateral merchandise, such as T-shirts and branded clothing. You must purchase and use any hardware and software goods and programs we designate from time to time. You must implement any referral, rewards system, or gift card program that we institute, and utilize our designated supplier for administration of such programs. Except as described above, neither we nor any of our affiliates are designated or approved suppliers for any other products or service. Other than PolyWise, none of our officers or members own an interest in any privately-held supplier, or a material interest in any publicly-held supplier. Occasionally, our officers or members may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

We reserve the right to make changes, modifications, improvements, deletions, or variations to our System and these changes may require you to adapt your business to confirm to the changes and incur additional expenses. Examples of these System changes include the purchase of new equipment, fixtures, software or the use of new Marks. In the 5th year of your franchise term, we will assess your vehicle and determine if any repairs or replacements are required to be made. Examples of replacements may include but are not limited to: wraps, tires, shelving and other such items that may wear out due the nature of the franchised business. However, the cost of these System changes will not exceed $25,000.

If you would like to use any goods or services that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You pay us the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase. We will decide within thirty (30) days after receiving the required information whether you may purchase or lease the goods or services or from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you if we revoke our approval of goods, services or suppliers, and upon your receipt of our notice to you, you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier.

Though approved by us, we and our affiliates make no warranty and expressly disclaim all warranties, including warranties of merchantability for any particular purpose with respect to fixtures, furniture, equipment (including without limitation, any and all required computer and software systems), chemicals, supplies or other approved items purchased from a third party approved or designated supplier.

Purchases According to our Specifications

If we have not identified an approved or designated supplier for a particular product or service, you may purchase the product or service from any supplier so long as the product or service meets our standards and specifications, which may include brand specifications. These items currently include furniture, fixtures, ,

including computer hardware and software, signage, personal protection equipment, small consumable items (such as paper towels, gloves, cleaners) and some chemicals. We developed our standards and specifications based on our principals' and affiliate's experience in operating a similar business, and will communicate them and update them to you in writing.

Insurance

You must purchase insurance as required by state law and as we specify. Currently, we require the following types and minimum amounts of insurance:

Required Coverages

- "All risk" property insurance coverage for assets of the Franchised Business;
- Workers' Compensation Insurance with coverage limits of $1,000,000 for bodily injury by disease per accident, $1,000,000 policy limit, and $1,000,000 per employee. The policy must be in place regardless of state laws and cannot exclude owner-operators. It must also include uninsured independent contractors and a waiver of subrogation;
- Comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence; and an aggregate limit of $2,000,000 general and products/completed operations aggregate, $1,000,000 personal/advertising injury, $50,000 rented premises damage, and $5,000 medical expenses. General liability must be primary and non-contributory with any other insurance, contractual and independent contractors liability, and be occurrence-based and general liability waiver of subrogation in favor of Franchisor must be included, and blanket form is also acceptable;
- Contractors E&O (Professional Liability) with a $50,000 occurrence and aggregate. This coverage may be combined with the General Liability insurance or placed separately.
- Contractors Pollution Liability with a $1,000,000 occurrence and $1,000,000 aggregate required for franchisees domiciled in California. This coverage may be combined with the General Liability insurance or placed separately.
- Automobile liability insurance with a $500,000 combined single limit, covering uninsured/underinsured motorists, owned, hired, and non-owned autos. Policies must include additional insured, waiver of subrogation, and primary/non-contributory provisions;
- Property insurance with coverage for business personal property (full replacement cost value), equipment (≥ $35,000 full replacement cost value), business interruption (12 Months ALS or ≥$100,000), including franchisor royalties; and
- Such insurance as necessary to provide coverage under the indemnity provisions in the franchise agreement.

Recommended Coverages

- Umbrella Insurance with $1,000,000 per occurrence and $1,000,000 aggregate, providing excess coverage over General Liability. Policies must be from an A- VII or higher AM Best-rated carrier
- Employment Practices Liability Insurance with minimum coverage limits of $250,000 per occurrence and $250,000 aggregate. The policy should include 3rd party liability and wage & hour coverage of at least $25,000. The maximum deductible should not exceed $10,000.
- Crime insurance with the minimum coverage limits of $100,000 each claim, including third party coverage on a loss discovered form.

The policy must be written by an insurance company licensed in the state in which you operate and having at least an "A-VII" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide.

You must identify Wise Coatings Franchises LLC as an additional insured – grantor of franchise and loss payee on insurance policies that you purchase and furnish us proof of the endorsement along with insurance certificates and/or other proof of coverage to us that we require. When providing proof of insurance via a certificate of insurance include the following language: Certificate holder is named as additional insured with respect to general liability and commercial auto liability including a waiver of subrogation and primary, non-contributory insuring clauses. Workers compensation includes a waiver of subrogation in favor of the certificate holder.

The amounts listed here are MINIMUM amounts that we require, but you are encouraged to discuss your business insurance needs with your local insurance professional to determine if greater coverage is best for your business. We reserve the right to require you to increase coverage or policy limits if market conditions justify an increase. We reserve the right to require you to obtain insurance policies to protect against cybersecurity threats, and accordingly, to require that we are named as additional insured on these cybersecurity insurance policies.

While we do not require that you use our vendor Rikor Insurance Consultancy, we recommend that you utilize their services for your insurance needs.

Revenue Derived from Franchisee Purchases and Leases

We have made arrangements with PolyWise for a discounted fee structure for the sale of certain proprietary materials to the WISE COATING System and its franchisees. We may make other purchasing arrangements with vendors, and suppliers of certain equipment and products under which we may receive rebates of the purchase price or other benefits related to franchisee purchases.

As of the end of our most recent fiscal year, December 31, 2024, our affiliate PolyWise reported to us that they derived $1,795,661.46 in gross revenue as a result of franchisee required purchases and leases. Additionally, our company stores may receive additional discounts on its purchases from Polywise.

Other than what is disclosed above, as of the end of our most recent fiscal year, December 31, 2024, neither we nor our affiliate derived any revenue on account of franchisee purchases and leases.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that required purchases and leases described above will range from 15% to 35% of the cost to establish the Franchised Business, and 15% to 25% of your operating costs.

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with suppliers or distributors, including price terms, for the benefit of the Wise Coatings franchise system. If we negotiate a purchase agreement, you must participate in the purchasing program. As of the Issuance Date of this disclosure document there are no purchasing arrangements, or purchasing/distribution cooperatives.

We do not provide you any material benefit (such as renewal rights or additional franchise rights) based on your purchase of particular products or services or use of designated suppliers.

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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 the Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 5	Items 11 and 12
b.	Pre-opening purchases/leases	Sections 5	Items 7 and 8
c.	Site development and other pre-opening requirements	Sections 5 and 8	Items 7, 8, and 11
d.	Initial and ongoing training	Section 8	Items 6, 7, and 11
e.	Opening	Sections 5 and 8	Item 11
f.	Fees	Sections 3, 8, 11, 12, 13, 15, and 18 Exhibit H	Items 5, 6, and 7
g.	Compliance with standards and policies/ Operations Manual	Sections 5, 6, 7, 9, 10, and 13	Items 8, 14, and 16
h.	Trademarks and proprietary information	Sections 6, 7, and 9	Items 13 and 14
i.	Restrictions on products/services offered	Section 13	Items 8 and 16
j.	Warranty and customer service requirements	Section 13	Item 16
k.	Territorial development and sales quotas	Section 13	Item 12
l.	Ongoing product/service purchases	Section 13	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 5, 10, and 13	Item 6
n.	Insurance	Section 15	Items 6, 7, and 8
o.	Advertising	Section 11	Items 6, 7, and 11
p.	Indemnification	Section 21	Item 6
q.	Owner's participation/management/ staffing	Section 13	Item 15

Obligation		Section in the Franchise Agreement	Disclosure Document Item
r.	Records and reports	Section 12	Item 11
s.	Inspections and audits	Sections 6 and 12	Items 6, 11, and 13
t.	Transfer	Section 18	Items 6 and 17
u.	Renewal	Section 4	Item 17
v.	Post-termination obligations	Section 17	Item 17
w.	Non-competition covenants	Sections 7 and 17	Item 17
x.	Dispute resolution	Section 23	Item 17
y.	Unlimited Guaranty and Assumption of Obligations	Section 22	Item 15

ITEM 10
FINANCING

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

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

Except as listed below, Wise Coatings Franchises LLC is not required to provide you with any assistance.

Before you begin operating the Franchised Business, we will:

1. Make available to you our then-current specifications for the Franchised Business location, service vehicle, service tools and equipment, and other equipment and supplies required by us for the establishment and development of the Franchised Business. (Franchise Agreement, Section 5.3.)

2. Approve or deny your proposed location for the Franchised Business Office within thirty (30) days after receipt of your request. (Franchise Agreement, Section 5.3.)

3. Make our initial training program available to you, and up to one other employee. (Franchise Agreement, Section 8.1.)

4. Make available to you one of our representatives for the purpose of familiarizing your staff with our techniques and for providing general assistance and guidance in connection with the opening of the Franchised Business. (Franchise Agreement, Section 8.2.)

5. Provide you access to our digital or other formatted Confidential Operations Manual and training materials, as they may be amended and updated from time to time. (Franchise Agreement, Section 9.1.)

After you begin operating the Franchised Business, we will:

6. Be reasonably available during normal business hours, as defined in the Franchise Agreement, to render advice, discuss problems and offer general guidance to you by telephone, email, newsletters and other methods as we deem appropriate in our sole discretion. (Franchise Agreement, Section 14.1.)

7. Provide you with modifications to the Confidential Operations Manual as they are made available to franchisees. (Franchise Agreement, Section 9.2.)

8. Reserve the right to hold periodic national or regional conferences to discuss business and operational issues affecting Wise Coatings franchisees, including industry changes, new services and/or merchandise, marketing strategies, or additional training, and the like. (Franchise Agreement, Section 8.6)

9. We will administer and spend the collected Marketing Fees during the term of the franchise (Franchise Agreement, Section 11.2).

Advertising and Promotion

You must spend the minimum amount we specify on local advertising and promotion, including internet and digital advertising, print or news media or direct mail advertising, dues for business organizations, event dues or other solicitation and promotional efforts. We determine the minimum amount by assessing advertising costs in your area and taking into account the time of year that you are opening. We will provide you with guidance for conducting advertising, and we will review and approve the materials you use in your advertising. All marketing and promotion must be conducted in a professional and dignified manner and must conform to our specified standards and requirements. All marketing and promotional materials, including product identification materials, point-of-purchase promotional materials, promotion memorabilia, and merchandise and prizes, will either be provided for you, or be made available to you for purchase through us. You may elect to spend more than the minimum amount we require for advertising and promoting your business.

You are required to spend, on the operation of your Franchised Business, a minimum of $4,500 per month on local advertising. We anticipate that this expenses will begin in week 9, after you have completed the onboarding process. The local advertising requirement will not exceed 5% Collected Gross Revenue. We measure your compliance on a rolling quarterly basis, meaning that if your expenditures are less than 5% for a given month, but your average monthly expenditure over the quarter is at least 5%, you are deemed to be in compliance. You will pay for your ads and promotions directly, but we will provide you with general marketing guidelines and we will review and approve your advertisements prior to use.

Grand Opening Advertising

You are required to spend a minimum of $10,000 in Grand Opening Advertising as we may determine in our sole discretion and in a manner that we require. You may choose to spend more, but any additional amount spent must conform with our requirements. We may require this amount to be spent before opening, within 30 days before and 60 days after opening, or a combination thereof. You will pay this amount directly to approved third-party vendors, as we require. The Grand Opening Advertising obligation is in addition to other advertising obligations, and does not count towards the Marketing Fee or the local advertising obligations.

Marketing Fee

We engage in System-wide marketing, advertising, and promotion to assist in our regional and national advertising and promote the brand generally. You must pay a marketing fee ("Marketing Fee") in an amount we specify periodically, but not to exceed 3% of Collected Gross Revenue during the Term of this Agreement. Currently, we require a contribution of 2% of Collected Gross Revenue.

We utilize the Marketing Fee as follows:

(a) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We may engage in local, regional, or national advertising. We are not required to spend any particular amount on advertising in your area or Territory and we cannot promise any franchisee a pro rata benefit.

(b) We may use your Marketing Fee to meet or reimburse us for any cost of conducting market research, producing, maintaining, administering and directing consumer advertising (including the cost of

preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures and other marketing materials to franchisees;). We will not use Marketing Fee monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Marketing Fee monies (including Internet advertising) information concerning franchise opportunities, and a portion of Marketing Fee monies may be used to create and maintain one or more pages on our web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates.

(c) Although not contractually required, we anticipate that all Wise Coatings Businesses owned by us or an affiliate will make similar contributions to the Marketing Fee as required of franchisees.

(d) The Marketing Fee is not maintained separately from other collected fees or in separate accounts, is not an advertising fund or a trust, and the contributions are not audited.

At the end of each calendar year, you may request an account of how the Marketing Fee monies were spent during the specified calendar year; and a copy of such accounting will be provided to you upon you request. Currently, there is no franchisee advertising council that provides us with guidance or suggestions regarding advertising and marketing matters.

The Marketing Fee is not placed in a separate account as it is not a fund or a trust; however, during the last fiscal year, Franchisor spent approximately 35% of collected Marketing Fee monies for general and administrative expenses and 65% on other expenses such as website development, public relations, research and other similar costs.

We also have the right to create advertising cooperatives for the benefit of some or all Wise Coatings franchises located in a particular region. We will determine the geographic territory and market areas for each cooperative advertising program. We have the right to administer the cooperative. We also have the right, but not the obligation, to collect and designate either all or a portion of the local advertising contributions for the funding of cooperative advertising. You must participate in any cooperative advertising program established in your region. Wise Coatings businesses owned by us or our affiliates, if any, located within the cooperative market area are not contractually required to participate. Each cooperative will be required to adopt governing bylaws that meet our approval, and will be available for review. There are no limits on our right to change, dissolve or merge advertising cooperatives.

If cooperative advertising is implemented in a particular region, we have the discretion to establish an advertising council for franchisees in that region, and we may agree that the advertising council will self-administer the cooperative advertising program for that region, as well as act in an advisory capacity concerning the implementation, but not the content, of the advertising program. We will initially select the members of the advertising council, but once established the franchisees in the cooperative will select subsequent or replacement members buy vote. Each franchisee is entitled to one vote per each franchise business they operate. There is no advertising council within the franchise System at this time.

You are permitted to market your Franchised Business through approved social media channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services. At all times you must comply with any social media policy that we develop.

You must obtain our prior approval of all advertising and promotional materials to be used by you including, but not limited to, internet advertising, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. We will use reasonable efforts to provide notice of approval or disapproval within 15 days from the date we receive all of the requested materials. If we do not approve your submitted materials by the end of the 15 day period, the materials are not approved for use.

We may create and license to you, social media accounts, e-mail marketing software accounts and other electronic accounts that use the Marks or any portion of them, used by you with any Internet directory, website, platform, or similar item in the operation of your Franchised Business. You may not create websites, social media accounts, e-mail marketing software accounts or other comparable accounts outside of those which we license to you. You may not establish a presence on, or market on the Internet without our consent. We maintain a website, currently at www.wisecoatings.com, that provides information about the System and the products and services that Franchisor and its franchisees provide. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, social media, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, Wise Coatings website. You will operate your Franchised Business so that it is clearly identified and advertised as Wise Coatings. You will use the trademark "Wise Coatings" and the other Marks which now or hereafter may form a part of the System, on all signs, suppliers, business cards, uniforms, advertising materials, Technology platforms, signs and other articles in the identical combination and manner as we may prescribe in writing and you will supply to us samples and photographs of the same up on our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or photographs upon our request.

Computer/CRM System

You must purchase and use any hardware and software programs we designate from time to time. Presently, we require you to purchase a computer and at least one mobile/tablet device that supports the software we require you to use, which is currently House Call Pro, QuickBooks, and Gusto. You must also use the point-of-sale and business management and accounting software we designate, or provide to you, at our election. The approximate initial cost of the hardware and software ranges from $0 if you already possess the equipment and software we require, up to $2,000. This equipment must be able to support the technologies and software we require for operation of the Franchised Business. We reserve the right to require you to use other business management and accounting software providing customer relationship management, scheduling, inventory, and data management software and services.

The computer system and/or CRM System for your Franchised Business will be dedicated for the operation of your Wise Coatings business and used for no other purpose. All sales must be processed through the approved CRM systems and reported as gross revenue and no other supplemental or secondary CRM system may be used. If we discover that you have breached this provision, you may be subjected to our non-compliance fee daily until you have proven to be in compliance; if this issue continues to occur, whether cured or not, you may be subject to termination in our sole discretion.

You are not required to enter into any ongoing maintenance or support agreements for the maintenance of a computer or the various software programs, but you may find it advantageous to do so. The annual costs of entering into maintenance, update, upgrading or support contracts will range from $200 to $800 per year. You may periodically be required to update or upgrade computer hardware and software, if we believe it is necessary. Neither we nor our affiliates, nor any third parties are required to provide ongoing maintenance repairs, upgrades, or updates to your computer system. We may introduce new requirements or modify our specifications and requirements for computer and point-of-sale systems. There are no limits on our rights to do so, except as disclosed in ITEM 16. We have the right to independently access and use all information you collect or compile in connection with the operation of the business, or contained in the required software at any time without first notifying you and there are no contractual limitations on our right to do so.

Site Selection

You may operate the Franchised Business from a home office provided it includes adequate storage space, approximately 100 to 2,000 square feet. If you choose, you may elect to lease space with adequate storage, or you may choose to operate from home and lease only the necessary storage space. Such space must also have access to a dumpster to dispose of unused products. You may purchase, rent, or lease this dumpster or it may already be provided with your commercial space. You must operate the Franchised Business from an approved location within your Territory, whether home based or leased, except where we have given written consent for a location outside your Territory. If you are approved to operate the Franchised Business from a home office or unmarked storage location outside your Territory, you may not have any signage and cannot provide services to customers outside of your Territory.

If local zoning laws and/or the covenants and restrictions of your housing development or neighborhood do not allow you to operate from a home office, you will be required to do business from a leased space. For example, your home owners association (HOA) might forbid you to park your service vehicle in your driveway or otherwise prohibit you from displaying the Marks. You should be thoroughly familiar with the zoning laws and regulations, along with the restrictive covenants in your neighborhood if you plan on using a residence as your business office.

The factors we will evaluate in considering approval of a leased facility include: the general location and neighborhood, visibility, ease of access to the proposed site; pedestrian and traffic patterns, parking; terms of the proposed lease, utilities and zoning issues. We can assist you in your search by suggesting some things to look for and we may assist with your negotiations in this process.

You are responsible for securing (either by leasing or purchasing the location) an approved site within 90 days of signing the Franchise Agreement. We will use reasonable efforts to approve or disapprove the proposed site within thirty (30) days after your request for our approval. Our decision will be provided to you in writing. (Franchise Agreement, Section 5.3)

If you and we are unable to come to an agreement on a particular site, the site will be deemed rejected, and you will need to find a different site. If no other site is agreed upon within 150 days following execution of the Franchise Agreement, we have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 5.4)

We do not plan to own any of the sites where our Franchised Businesses will be located and do not guarantee leases or lease retail space to franchisees.

Other than our affiliate PolyWise, which provides the initial inventory and equipment package and materials allotment, we do not provide assistance with providing equipment, signs, fixtures, opening inventory or supplies other than providing you with a list of our approved vendors.

Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 60 to 90 days, but not more than 120 days. Factors that may affect or delay your beginning operations include ability to schedule and attend training, secure permits, buy equipment, locate and lease an office space after signing the Franchise Agreement. If you fail to meet this 120-day opening deadline we may terminate your franchise.

If you are purchasing two or more territories, we estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the second franchise including purchasing vehicles and equipment, will not be greater than 18 months. If you fail to meet the 18-month deadline for your second (and any subsequent territory), we may terminate your franchise for your second (and any subsequent) territory and you may not be afforded the opportunity to cure. You will also forfeit any initial franchise fees that have been paid.

Confidential Operations Manual

Our Confidential Operations Manual is in digital format on a web platform and not a traditional paper or PDF format. The Confidential Operations Manual contains specifications and mandatory and suggested standards and procedures. This Confidential Operations Manual is confidential and remains our property. We will modify the Confidential Operations Manual, but the modifications will not alter your status and rights under the Franchise Agreement. Upon your written request, we will make the Confidential Operations Manual available for your review before buying a Wise Coatings franchise. You are required to sign a confidentiality and non-disclosure agreement before viewing the Confidential Operations Manual, which is attached as Exhibit E.

Training

After signing the franchise agreement, we provide a checklist to you of steps to take to begin your training process and then provide you an initial training program that covers material aspects of the operation of the Franchised Business. The topics covered are listed in the chart below.

This training is offered on an as needed basis at our training location in Lake Mary, Florida or another location we designate for physical training and via in-person or virtual resources for classroom training. You must satisfactorily complete the initial training to our satisfaction approximately three to four weeks before the opening of the Franchised Business. Up to one other employee or assistant of your choosing may also attend training with your, at your option. We expect that attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training. We do not charge for initial training for up to two people. You must pay for all travel, local transportation, food, lodging costs, and wages for yourself and any of your attendees. This initial training is in addition to the on-site opening assistance we provide to you.

If you replace or bring new principals into your franchise, your new principals must attend our training program within sixty (60) days of the replacement date. We charge an Additional Training Fee of $1,000 per day per person for this additional training. Thereafter, you are responsible for training your own employees and other management personnel. .

If our representative is scheduled to conduct on-site training program at your Franchised Business and you subsequently cancel the scheduled training program, then you must pay us our then current on-site training cancellation fee ("On-Site Cancellation Fee"). The On-Site Training Cancellation Fee may vary depending upon the type of scheduled training program and how far in advance you notify us in writing of the cancellation but currently is the greater of $500 per person per day or our actual costs due to your cancellation., which may include any non-refundable travel expenses.

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INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Wise Coatings	2	0	Location we may designate from time to time
Administrative Function Overview	6	0	Classroom – Virtual, In Field Training is located in Lake Mary, Florida or another location we may designate from time to time
Marketing Function Overview	2	0	Location we may designate from time to time
Executive Level Budgeting	4	0	Location we may designate from time to time
Large Equipment Best Practices + Maintenance	1	3	Location we may designate from time to time
Introduction to Coatings Products	1	3	Location we may designate from time to time
How to use, properly mix and spread Coating Products	3	15	Location we may designate from time to time
How to properly prepare the surface	2	3	Location we may designate from time to time
Flake Flooring Overview	4	10	Location we may designate from time to time
Full Job Overview at your location	0	16	In person at your designated location
TOTAL	25	50	

These times and topics are estimates only. We may send you to client sites to obtain on-site training. We cannot predict precisely the types and volumes of jobs that the Lake Mary, Florida, or other training area will have while you are in training. Classroom training occurs in between client projects and may be provided by video-conference. The time required to complete those trainings are estimates that may vary depending on the number of people attending training and the number of questions or re-coverage of topics required by the training group at the time you attend.

You must complete initial training to our satisfaction, including the passing of tests at the end of initial training. (Franchise Agreement, Section 8.1)

Our initial training program is overseen currently by Whitney White, or any other person we designate with a minimum of one year of experience in the industry. Ms. White has been with us since 2021 and she has over ten years' experience in service industry operations.

The training will include the following instructional materials: Wise Coatings Confidential Operations Manual and other supplementary material. The dates and location of the training will be communicated to you by e-mail or telephone.

Certain segments of the training may vary from the chart shown above based on schedule changes due to business requirements and other factors. We will attempt to give you advance notice when this occurs.

Periodically, you, your managers, or employees must attend refresher-training programs to be conducted at our headquarters or another location we designate. Attendance at these programs will be at your expense,

including travel expenses. We may charge a fee of up to $1,000 per day, per person for this training. Except for webinars that do not require travel, you are not required to attend more than one of these programs in any calendar year, and these programs will not exceed five days during any calendar year. We may charge a fee for this additional training.

We hold periodic national or regional conferences and attendance at these conferences is mandatory. However, we do not require attendance at more than one conference during any calendar year. You must pay the conference registration fee, which currently does not exceed $1,000 per person per conference. You are also responsible for all of your related costs for you and/or your staff to attend the conference, including travel expenses.

ITEM 12
TERRITORY

Even though we do not grant to you an exclusive territory, other than as reserved below, we will not operate or grant another franchisee the right to operate in your Territory. It is possible that another franchisee may have a home office or unmarked storage location within your Territory, but they will not provide services to customers within your Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control, as well as competitors we do not control.

When you sign the Franchise Agreement, or shortly thereafter, we will mutually agree on a defined territory ("Territory"), where you will concentrate your marketing efforts and you are not allowed to market outside your Territory. The Territory will be defined by ZIP codes, political boundaries, geographic boundaries, roads, or other boundaries, and will consist of 175,000 to 225,000 households. During the franchise term, you will concentrate your marketing efforts inside your Territory to avoid marketing in any other franchisee's Territory.

When purchasing two or more Territories, you are required to buy vehicles and equipment to support its operational needs. While you may use and share your office, computers, and office staff among two or more Territories, you will have additional expenses associated with developing and operating in the additional Territories. Further, you must meet the minimum performance requirements in each Territory.

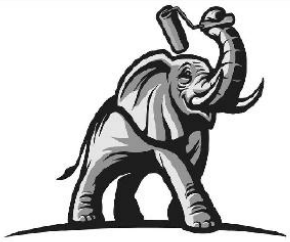
Other franchisees are restricted from soliciting business and directly marketing their services within your Territory. We reserve the right to use other channels of distribution, including the Internet, to solicit and accept orders from consumers inside your Territory using our principal trademarks, or other competitive brands that we control, and we are not required to pay you any compensation relating to these sales.

Continuation of your territorial protection is dependent on you achieving a certain sales volume. You must maintain a minimum sales volume of $360,000 per year, beginning in year one, $504,000 in years 2 and 3, and $720,000 beginning year four (i.e. month 37 of operation) and thereafter, calculated on an annual, rolling basis ("Minimum Sales Volume"). If you fail to maintain the Minimum Sales Volume, we have the right to place you on a corrective action plan, reduce your territory, and/or terminate your franchise agreement. Remedies, in our sole discretion, may include increasing your marketing spend obligations, additional training, and/or taking action to develop a workout plan with us (also known as a corrective action plan). If we develop a corrective action plan, in our sole discretion, you are required to follow the requirements of such corrective plan. Except for achieving a Minimum Sales Volume, your rights to the Territory granted under the Franchise Agreement are not contingent upon achieving a certain sales volume, or market penetration. Neither we, nor an affiliate, operates, franchises, or has plans to operate or franchise a business under a different trademark that will sell similar goods or services to those that you will offer.

You do not receive the right of first refusal and any similar rights to obtain additional franchises or limit franchise sales in your Territory or adjacent to your Territory.

ITEM 13
TRADEMARKS

Our affiliate, Wise IP has registered the following principal trademarks ("Marks") on the Principal Register of the United States Patent and Trademark Office where all required affidavits have been filed and Wise IP intends to file all renewals of Marks when due.

Mark	Registration Number	Registration Date	International Class
WISE COATINGS (Standard Character)	6541285	October 26, 2021	37
POLYWISE (Standard Character)	6541284	October 26, 2021	02
 (Design Mark)	6729737	May 24, 2022	37

Wise IP does not yet have a federal registration for the following trademark. Therefore, the following trademark does not have as many legal benefits and rights as a federally registered trademark. Wise IPs' right to use the Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses. We claim common law rights to the following marks:

Mark	Serial Number	Application Date	International Class
	N/A	N/A	Common Law

Wise IP has granted us the right to use the WISE COATINGS Marks in connection with the franchising of Wise Coatings franchises under an Intercompany License Agreement dated May 27, 2021. The initial term of our agreement with Wise IP is perpetual, unless otherwise terminated by mutual agreement, or by Wise IP on account of our material breach. Upon termination of the agreement, Wise IP has an option to assume all Wise Coatings franchise related agreements to which we are a party. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the WISE COATINGS Marks in any manner material to you.

Other than the above disclosures, there are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court. There are no pending infringement, opposition or cancellation proceedings, and no pending litigation involving any of

the Marks that may significantly affect the ownership or use of any Mark listed above. We know of no infringing or prior superior uses that could materially affect the use of the Marks.

You do not receive any rights to the Marks other than the exclusive right to use them in the operation of your Franchised Business. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Franchised Business. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use any Mark in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

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

While we are not required to defend you against a claim arising from your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks. You do not have to spend an amount unreasonably disproportionate to your initial investment during the initial term of the Franchise Agreement to conform your Franchised Business to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

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

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We do not have any pending patent applications that are material to the franchise. We own copyrights in the Confidential Operations Manual, our website, our marketing materials, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

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

We have developed certain trade secrets and other confidential information, including methods of business management, accounting, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Wise Coatings Franchised Business. We will provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company, or other business entity, and your managers, executives, employees, and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

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

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement.

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

You must devote and use your full time and best efforts to promote and increase the sales, goodwill, and recognition of the services offered through the Franchised Business. You must attend and satisfactorily complete our initial training program before you open the Franchised Business. The Franchised Business must always be under your direct, full-time, day-to-day supervision . You are responsible for the professional operation of your Franchised Business in accordance with the terms of the franchise agreement and the Manual.

We may require certain individuals associated with your Franchised Business, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers,

executives, employees, and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements. If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity and their spouses/partner are required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally responsible for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

We do not impose any anti-poaching restrictions that prohibits you, or any other franchisee, from soliciting or hiring any person currently employed or previously employed within the franchise system. However, if you hire another Wise Coating franchisee's employees within one year of the employee attending our training program, you are required to reimburse the other franchisee the then-current training fee and its costs associated with sending that employee to training.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must only offer the services and products we specify; however, if you wish to sell products or offer services that are related to or complimentary to your Wise Coatings Franchised Business, you may seek our approval prior to offering such product or services. We will not unreasonably withhold our consent to offer, sell or promote such products or services so long as they are complementary to services provided by Wise Coatings and you have the proper training, skills, equipment, and manpower to provide the goods or perform the services in a high-quality manner. We retain the right to revoke our permission at any time.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, franchisee qualifications, and regional or local differences. We will not unreasonably withhold our consent to use such products or services. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may disapprove at any time.

We may change the System or any part of the System at any time, and as changed it will remain the System. We own any improvements or changes in the System whether we, you or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating you. If we modify the System, you must, at your own expense, adopt and use the modification(s) as if they were part of the System at the time you signed the Agreement.

There are no restrictions on our right to modify the types of goods and services you will offer except that we will remain primarily offering and selling goods and services currently offered under the System. We may take any action pursuant to our rights under the franchise agreement, if you purchase or sell unapproved products or make purchases from unapproved suppliers

We do not place restrictions on you with respect to who may be a customer of your Franchised Business for goods and services inside of your Territory. We restrict and prohibit providing services and goods to ay customer located outside your Territory.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Section 4.1	The initial term is 10 years.
b. Renewal or extension of the term	Section 4.2	You have the right to renew for one additional 10-year term.
c. Requirements for franchisee to renew or extend	Section 4.2	You must have substantially complied with the Franchise Agreement; must have updated and refurbished your service vehicle and equipment; have satisfied all monetary obligations owed to us or our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have timely notified us of your intent to renew; sign a current Franchise Agreement, which may have materially different terms and conditions (including higher Royalty Fees and higher marketing fee); comply with current qualifications, comply with any training requirements; and sign a general release.
d. Termination by Franchisee	Section 16.3	Subject to applicable state law, you can terminate by selling your franchise, or if you are in full compliance with all of the terms of this Agreement and we materially breach this Agreement and fail to commence reasonable efforts to cure such breach within 30 days after receiving written notice.
e. Termination by franchisor without cause	No provision	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.

Provision	Section in Franchise or Other Agreement	Summary
g. "Cause" defined – curable defaults	Section 16.4	The Franchise Agreement will terminate automatically without notice upon the happening of certain bankruptcy or insolvency-related events. We can terminate the Franchise Agreement, after allowing you a five-day cure period, if you fail to pay any monies due under the Franchise Agreement. We can terminate the Franchise Agreement, after allowing you a 10-day cure period, if you fail to timely establish, equip and begin operations of the Franchised Business; fail to comply with applicable laws or any other provision of the Franchise Agreement, or Confidential Operations Manual.
h. "Cause" defined – non-curable defaults	Section 16.2	We can terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to maintain all required professional licenses, permits and certifications for more than five business days; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect either party or the Franchised Business; use the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the Franchised Business for five or more consecutive business days; surrender or transfer control

Provision	Section in Franchise or Other Agreement	Summary
		of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager following your death or disability; submit reports on two or more separate occasions understating any amounts due by more than 3%; are insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on two or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; receive two or more default notices within two years; failure on 2 or more separate noticed occasions to comply with the same obligation in any time-frame, regardless if such defaults are subsequently cured; any health, safety or other laws or operate the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; repeatedly breach the franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Sections 16.4 and 17	Stop operating the Franchised Business; stop using any trade secrets, confidential information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets and all other confidential information including records, files, instructions, brochures, agreements, referral contact list, disclosure statements, and all other materials that we provided to you; assign your email addresses, any websites, and telephone to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement. If the Franchise Agreement terminates because you have closed or abandoned the Franchised Business or expires, you must pay us liquidated damages calculated as an amount equal the average monthly Royalty Fees and Marketing Fees during the immediately preceding 12-month period times the lesser of (a) the remaining term in months; or (b) 24 months.
j. Assignment of contract by franchisor	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 18.2	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement or the Franchised Business's assets.
l. Franchisor's approval of transfer by franchisee	Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.

Provision	Section in Franchise or Other Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form that we prescribe; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement with a full 10-year term for the existing Territory; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a of $10,000; if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; and the transferee has agreed that it will complete the initial training program before assuming management of the Franchised Business.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 19	We may, but are not obligated to, match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's Franchised Business	Section 17.4	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for book value.
p. Death or disability of franchisee	Section 18.6	After the death or incapacity of an owner of the franchise, their representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement.

Provision	Section in Franchise or Other Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 7.3	You, your owners (and members of their families and households) and your officers, directors, executives, managers and professional staff are prohibited from: attempting to divert any business or customer of the Franchised Business to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For two years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers and professional staff are prohibited from: owning or working for a competitive business within the Territory, within 50 miles from the perimeter of the Territory, or within the territory of any other Wise Coatings business; or soliciting or influencing any of our customers or business associates to compete with us or terminate their relationship with us. (Subject to state law)
s. Modification of the agreement	Sections 9.2, 22.7, and 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments.

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 23.7 and 23.8	Claims, controversies, or disputes from or relating to the Franchise Agreement must be mediated, and if mediation is unsuccessful, submitted to arbitration, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information or for actions related to monies past due. There is no requirement to mediate after termination of the Franchise Agreement.
v. Choice of forum	Section 23.2	Mediation at the AAA office shall be in Plano, Texas or in the city in which we maintain our principal business address, currently Lake Mary, Florida (subject to applicable state law). Venue for any other proceeding is exclusively the courts located in Collin County, Texas or in the county in which we maintain our principal business address, currently Seminole County, State of Florida (subject to applicable state law). See the State Specific Addenda attached to this disclosure document.
w. Choice of law	Section 23.1	Texas law applies (subject to applicable state law). See the State Specific Addenda attached to this disclosure document.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may only be given 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.

This financial performance representation discloses historical financial information regarding the average profit and loss information of Wise Coatings outlets operating from at least January 1, 2024 through December 31, 2024 ("Measurement Period"). As of December 31, 2024, there were twenty six (26) franchised ("Franchised Units") and one (1) corporate owned Wise Coatings outlet ("Corporate Unit").

The following Table 1 represents Average profit and loss information for our eleven Franchised Units operating during the Measurement period.

Averages Profit and Loss - Franchised Units open during Mesurement Period								
2024 Profit and Loss Statement	**Average**		**Highest**		**Lowest**		**Median**	
Total Income	$374,994.02		$905,039.50		$242,955.90		392,946.81	
Auto Fuel and Maintenance	$7,854.42	2.09%	$13,929.87	1.54%	$2,860.89	1.18%	8,182.70	2.08%
Coating Supplies	$95,209.96	25.39%	$267,619.81	29.57%	$68,444.37	28.17%	113,818.32	28.97%
Equipment Rentals	$1,302.30	0.35%	$4,831.78	0.53%	$540.82	0.22%	431.11	0.11%
Materials, Small Tools & Supplies	$21,335.58	5.69%	$33,607.14	3.71%	$16,644.79	6.85%	32,467.22	8.26%
Total Payroll - Technicians	$48,969.73	13.06%	$189,350.78	20.92%	$8,610.07	3.54%	43,876.93	11.17%
Total Cost of Goods Sold	$174,671.99	46.58%	$509,339.38	56.28%	$97,100.94	39.97%	198,776.28	50.59%
Gross Profit	**$200,322.02**	**53.42%**	**$395,700.12**	**43.72%**	**$145,854.96**	**60.03%**	**194,170.53**	**49.41%**
Advertising & Marketing	$47,961.39	12.79%	$33,951.53	3.75%	$25,726.89	10.59%	48,284.59	12.29%
Total Auto Expense	$15,567.98	4.15%	$13,963.62	1.54%	$18,683.99	7.69%	23,425.24	5.96%
Total Merchant Processing Fees	$6,887.86	1.84%	$18,876.03	2.09%	$4,259.74	1.75%	4,224.52	1.08%
Equipment Repairs & Maintenance	$251.59	0.07%	$0.00	0.00%	$409.99	0.17%	664.98	0.17%
Insurance	$6,346.75	1.69%	$6,121.81	0.68%	$6,584.05	2.71%	6,095.19	1.55%
Legal & Professional Services	$2,189.73	0.58%	$2,182.00	0.24%	$2,800.00	1.15%	6,033.00	1.54%
Office/General Administrative Expenses	$1,400.47	0.37%	$3,389.06	0.37%	$0.00	0.00%	1,606.95	0.41%
Recruiting & Hiring Expenses	$2,423.27	0.65%	$4,712.44	0.52%	$1,161.97	0.48%	5,442.48	1.39%
Software & Apps Expenses	$1,555.47	0.41%	$3,566.79	0.39%	$748.28	0.31%	2,982.01	0.76%
Total Admin Payroll Expenses	$8,083.44	2.16%	$26,931.20	2.98%	$32,710.58	13.46%	1,711.00	0.44%
Rent & Lease	$19,643.69	5.24%	$9,000.00	0.99%	$0.00	0.00%	$0.00	0.00%
Travel	$1,442.28	0.38%	$1,842.66	0.20%	$376.17	0.15%	2,828.38	0.72%
Uniforms	$1,512.27	0.40%	$1,274.08	0.14%	$0.00	0.00%	5,119.48	1.30%
Utilities	$2,228.81	0.59%	$2,706.28	0.30%	$404.95	0.17%	3,289.88	0.84%
All Other Expenses	$2,821.90	0.75%	$1,174.05	0.13%	$0.00	0.00%	508.77	0.13%
Total Expenses	$120,316.90	32.09%	$129,691.55	14.33%	$93,866.61	38.64%	112,216.47	28.56%
Profit before Royalties	**$80,005.12**	**21.34%**	**$266,008.57**	**29.39%**	**$51,988.35**	**21.40%**	**81,954.06**	**20.86%**
Additions - Owner Salary & Interest Expense	$51,201.33	13.65%	$17,235.27	1.90%	$35,280.99	14.52%	57,617.96	14.66%
Less:								
Royalty Fees	$18,749.70	5%	$45,251.98	5%	$12,147.80	5%	19,647.34	5%
Royalty Fees -Marketing	$7,499.88	2%	$18,100.79	2%	$4,859.12	2%	7,858.94	2%
Adjusted Net Profit	**$104,956.87**	**27.99%**	**$219,891.08**	**24.30%**	**$70,262.43**	**28.92%**	**112,065.74**	**28.52%**

The following Table 2 represents historical financial information regarding the profit and loss statement of our Wise Coatings Corporate Unit open and operating during the Measurement Period.

Profit and Loss - Corporate Unit open during Mesurement Period		
2024 Profit and Loss Statement		
Total Income	$1,725,290.57	
Auto Fuel and Maintenance	$33,838.70	1.96%
Coating Supplies	$471,426.54	27.32%
Equipment Rentals	$5,258.98	0.30%
Materials, Small Tools & Supplies	$37,940.88	2.20%
Total Payroll - Technicians	$392,141.63	22.73%
Total Cost of Goods Sold	$940,606.73	54.52%
Gross Profit	**$784,683.84**	**45.48%**
Advertising & Marketing	$161,627.54	9.37%
Total Auto Expense	$40,307.58	2.34%
Total Merchant Processing Fees	$25,434.20	1.47%
Equipment Repairs & Maintenance	$570.16	0.03%
Insurance	$23,038.99	1.34%
Legal & Professional Services	$7,903.97	0.46%
Office/General Administrative Expenses	$4,758.18	0.28%
Recruiting & Hiring Expenses	$5,019.80	0.29%
Software & Apps Expenses	$7,915.84	0.46%
Total Admin Payroll Expenses	$254,230.44	14.74%
Rent & Lease	$32,909.20	1.91%
Travel	$12,478.56	0.72%
Uniforms	$4,440.08	0.26%
Utilities	$14,389.62	0.83%
All Other Expenses	$21,654.15	1.26%
Total Expenses	$616,678.31	35.74%
Profit before Royalties	**$168,005.53**	**9.74%**
Additions - Owner Salary & Interest Expense	$205,055.67	11.89%
Less:		
Royalty Fees	$41,774.63	2.5%
Royalty Fees -Marketing	$16,709.81	1%
Adjusted Net Profit	**$314,576.76**	**18.12%**

Table 1 and Table 2 Notes:

Note 1. Gross Revenue represents the total amount of revenue recognized for the Measurement Period upon completion of a job.

Note 2. Of the total twenty six (26) Franchised Units ten (10) Franchised Units were not open for the full Measurement period , one (1) unit was transferred to new ownership, one (1) unit was terminated in the calendar year 2024, two (2) units ceased operations during the Measurement Period although not terminated, and one (1) unit did not operate for the full 12 month Measurement Period and thus excluded from the financial representation.

Note 3. The monthly Royalty Fee is 5% of collected Gross Revenue.

Note 4. The Marketing Fee is currently 2% of collected Gross Revenue, but can be up to 3% of Collected Gross Revenue.

Note 5. We will require you to spend in year 1 of operation the greater of $1,500 per month or 5% of collected Gross Revenue per month, and in year 2 thru the term of your franchise agreement 5% of collected Gross Revenue to market your franchised business in your Territory.

Note 6: The data provided represents that each unit operates in a single protected area.

Note 7: The Royalty Fee paid by the Corporate Unit is 2.5% of Gross Revenue.

Note 8: The Royalty Fees- Marketing paid by the Corporate unit is 1% of Gross Revenue.

Other Performance Measures.

The following table represents historical information regarding sales and operating productivity of our eleven Wise Coatings Franchised Units open and operating during the Measurement Period.

2024 Measurement Period	Location 1	Location 1	Location 3	Location 4	Location 5	Location 6	Location 7	Location 8	Location 9	Location 10	Location 11
Number of Opportunities - Estimates	350	766	376	506	260	221	257	245	186	147	125
Number of Job Tickets	184	254	113	161	101	102	101	75	43	43	56
Opportunity Conversion Rate	52.57%	33.16%	30.05%	31.82%	38.85%	46.15%	39.30%	30.61%	23.12%	29.25%	44.80%
Number of Completed Job Tickets	184	254	113	161	101	102	101	75	43	43	56
Average Completed Job Ticket	$3,426.54	$2,425.37	$3,615.45	$3,577.28	$3,895.80	$3,620.91	$2,952.84	$4,154.72	$5,617.96	$5,009.82	$4,201.00

The following table represents historical information regarding sales and operating productivity of our one Wise Coatings Corporate Unit open and operating during the Measurement Period.

2024 Measurement Period	Corporate Store
Number of Opportunities - Estimates	694
Number of Job Tickets	289
Opportunity Conversion Rate	41.64%
Number of Completed Job Tickets	289

Average Completed Job Ticket	$3,088.08

Except as defined above, the outlets included in this financial performance representation are substantially similar to the Franchised Business for which we are offering franchises in this disclosure document, and their services are substantially similar to those to be offered and sold by the franchised unit you would operate.

Other than costs in the chart above, all units included in this financial performance representation do not reflect any costs of sales, operating expenses and other costs or expenses that you may incur in operating your franchised business, or the expenditures that you may pay under the terms of the Franchise Agreement

You should conduct an independent investigation of the costs and expenses you will incur in operating your Wise Coatings franchised business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

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

Written substantiation of the financial performance representation will be made available to you upon reasonable request.

Except for the information presented above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income you should report it to the franchisor's management Whitney White, Chief Executive Officer, Wise Coatings Franchises LLC, 108 Commerce Street, Suite 105, Lake Mary, Florida 32746, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year[1]	Outlets at the End of the Year[1]	Net Change
Franchised	2022	2	5	+3
	2023	5	16	+11
	2024	16	26	+10
Company-Owned[1]	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	3	6	+3
	2023	6	17	+11
	2024	17	27	+10

Note 1: This Outlet is owned and operated by our affiliate WC.

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Arizona	2022	**0**
	2023	0
	2024	1
Washington	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	0

Table No. 3

STATUS OF FRANCHISE OUTLETS
FOR YEARS 2022-2024

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arizona	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arkansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Colorado	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Florida	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	1	0	0	0	0
Louisiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Maryland	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	2
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	0
Ohio	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Texas	2022	1	0	1	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	2	0	0	0	0	3
Virginia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Utah	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Washington	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	2	4	1	0	0	0	5
	2023	5	11	0	0	0	0	16
	2024	16	11	1	0	0	0	26

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022-2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Oregon	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	0	0
Colorado	2	0	0
Illinois	1	0	0
Indiana	1	0	0
New Hampshire	1	0	0
Texas	1	0	0
Total	7	0	0

A list of the names and current addresses of our franchisees as of December 31, 2024, is located in Exhibit G. A list of names and current addresses of franchisees who have been terminated, canceled, not renewed, voluntarily or involuntarily ceased to do business under their franchise agreement during our fiscal year ending December 31, 2024, or who have not communicated with us within 10 weeks of the issuance date of this disclosure document are listed in Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the WISE COATINGS franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We are not aware of: (i) any trademark-specific franchisee organizations associated with the franchise system being offered; or (ii) independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit F are:

Our audited financial statements as of December 31, 2024, 2023 and 2022 and related statements of operations, changes in members' deficit and cash flows for the years then ended.

Our fiscal year ends December 31st.

ITEM 22
CONTRACTS

Exhibit C – Franchise Agreement
- Attachment 1 – Key Terms
- Attachment 2 – Nondisclosure and Non-Competition Agreement
- Attachment 3 – Unlimited Guaranty and Assumption of Obligations
- Attachment 4 – Holders of Legal or Beneficial Interest in Franchisee; Governing Persons
- Attachment 5 – Electronic Funds Transfer Authorization
- Attachment 6 – State Franchise Agreement Addenda

Exhibit D – Telephone Number and Website URL Assignment Agreement

Exhibit H – Franchise Disclosure Questionnaire

Exhibit I – General Release (Sample Form)

ITEM 23
RECEIPTS

Our copy and your copy of the disclosure document Receipts are located on the last two pages of this disclosure document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013
866-275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
808-586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

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

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
410-576-7042

Michigan
Department of the Attorney General
Consumer Protection Division, Franchise Section
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909
517—373-7117

Minnesota
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
651-539-1500

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Fl
New York, New York 10005
212-416-8222

North Dakota
Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
401-462-9500

South Dakota
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
605-773-3563

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 41200
Olympia, Washington 98504-1200
360-902-8760

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
608-261-9555

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

Florida
Whitney White
108 Commerce Street, Suite 105
Lake Mary, Florida 32746

Indiana
Indiana Secretary of State
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Michigan
Department of the Attorney General
Consumer Protection Division
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48913

New York
Secretary of State
99 Washington Avenue
Albany, New York 12231

EXHIBIT C TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

FRANCHISE AGREEMENT

WISE COATINGS FRANCHISES LLC

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE

EFFECTIVE DATE:	_____
EXPIRATION DATE:	10th anniversary of the Effective Date
FRANCHISEE:	_____
TYPE OF BUSINESS ENTITY:	_____
STATE OF ORGANIZATION:	_____
FRANCHISEE'S AUTHORIZED BUSINESS TRADE NAME:	WISE COATINGS of _____
FRANCHISED BUSINESS OFFICE:	_____
TELEPHONE NUMBER:	_____
E-MAIL ADDRESS:	_____
FRANCHISE FEE:	☐ $50,000 or ☐ _____
ROYALTY FEE:	Greater of: (i) 5% of Collected Gross Revenue for the previous month; or (ii) the minimum royalty fee. The "minimum royalty fee" is: (i) $1,500 per month for the months 6-12; (ii) $2,100 per month for months 13-47; and (iii) $3,000 per month beginning month 48 thru the remainder of the term.
MARKETING FEE:	Up to 3% of Collected Gross Revenue (refer to Section 11.2.)
INITIAL INVENTORY PACKAGE:	$20,500
INITIAL EQUIPMENT PACKAGE:	$30,840
TRANSFER FEE:	$10,000 (refer to Section 18.2.8.)
RENEWAL FEE:	$5,000 (refer to Section 4.2.2.6)

_____ Franchisor Initial

_____ Franchisee Initial

TABLE OF CONTENTS

SECTION **PAGE**

1. DEFINITIONS 1
2. GRANT OF FRANCHISE; APPROVED LOCATION 4
   - 2.1. Grant 4
   - 2.2. Franchised Business Office and Storage Facility 4
   - 2.3. Sub-franchising/Agents 4
   - 2.4. Non-Exclusive License 4
3. FEES 5
   - 3.1. Franchise Fee 5
   - 3.2. Royalty Fee 5
   - 3.3. Taxes 5
   - 3.4. Electronic Transfer 6
   - 3.5. Interest Charges 6
   - 3.6. Application of Payments 6
4. TERM AND RENEWAL 6
   - 4.1. Initial Term 6
   - 4.2. Successor Term 6
5. FRANCHISED BUSINESS OFFICE AND STORAGE 7
   - 5.1. Franchised Business Office 7
   - 5.2. Storage Space 7
   - 5.3. Development of Franchised Business Office and Storage 8
   - 5.4. Failure to Develop Franchised Business Office and Storage 8
   - 5.5. Opening 8
   - 5.6. Failure to Open 9
   - 5.7. Relocation 9
6. PROPRIETARY MARKS 9
   - 6.1. Ownership 9
   - 6.2. Limitations on Use 10
   - 6.3. Notification of Infringements and Claims 10
   - 6.4. Indemnification for Use of Marks 10
   - 6.5. Discontinuance of Use 11
   - 6.6. Right to Inspect 11
   - 6.7. Franchisor's Sole Right to Domain Name 11
7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION 11
   - 7.1. Confidentiality of Trade Secrets and Other Confidential Information 1
   - 7.2. Additional Developments 1
   - 7.3. Exclusive Relationship 1
   - 7.4. Nondisclosure and Non-Competition Agreements with Certain Individuals 2
   - 7.5. Reasonableness of Restrictions 2
8. TRAINING AND ASSISTANCE 2
   - 8.1. Initial Training 2
   - 8.2. Opening Assistance 3
   - 8.3. Additional Training 3
   - 8.4. New Designated Manager 3
   - 8.5. Ongoing Training and Enrichment Training 3
   - 8.6. Conferences 3
9. CONFIDENTIAL OPERATIONS MANUAL 4
   - 9.1. Loan by Franchisor 4

9.2. Revisions 4
9.3. Confidentiality 4
10. FRANCHISE SYSTEM 5
10.1. Compliance with Standards 5
10.2. Modification of the System 5
10.3. Refurbishment of the Equipment and Vehicles 6
10.4. Variance 6
11. ADVERTISING AND PROMOTIONAL ACTIVITIES 6
11.1. Local Advertising 6
11.2. Marketing Fee 7
11.3. Cooperative Advertising 7
11.4. Internet Advertising Program 8
11.6. Public Relations and Association with Causes 8
11.7. Loyalty Programs, Prize Promotions, and Promotional Literature 8
12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS 9
12.1. Records 9
12.2. Collected Gross Revenue Reports 9
12.3. Financial Statements 9
12.4. Other Reports 9
12.5. Software and Technology 10
12.6. Right to Inspect 11
12.7. Release of Records 11
13. STANDARDS OF OPERATION 12
13.1. Authorized Products, Services and Suppliers 12
13.2. Appearance and Condition of the Franchised Business 13
13.3. Ownership and Management 13
13.4. Days of Operation 14
13.5. Certifications 14
13.6. Licenses and Permits 14
13.7. Notification of Proceedings 14
13.8. Compliance with Good Business Practices 15
13.9. Uniforms 15
13.10. Credit Cards 15
13.11. E-Mail 15
13.12. Best Efforts and Minimum Performance Criteria 16
13.13 Other Franchisee's Employees 16
13.14 ADA Certification 16
13.15 Legal Compliance 16
13.16. Non-Compliance; Quality Assurance Inspections; Mystery Shops. 16
13.17. Data Security and Privacy 17
13.18. Customer List 17
13.19. Business and Customer Data 17
13.20. Compliance with Brand Standards 18
13.21. Technology Disruptions 18
14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE 19
14.1. General Advice and Guidance 19
14.2. Inspections 20
15.1. Types and Amounts of Coverage 20
15.2. Future Increases 21
15.3. Carrier Standards 21
15.4. Evidence of Coverage 21

15.5. Failure to Maintain Coverage 21
16. DEFAULT AND TERMINATION 22
16.1. Automatic Termination 22
16.2. Termination by Franchisor 22
16.3. Termination by Franchisee 24
16.4. Pre-Termination Rights 24
17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION 25
17.1. Actions to be Taken 25
17.2. Restrictive Covenants 26
17.3. Unfair Competition 27
17.4. Franchisor's Option to Purchase Certain Business Assets 27
17.6 Enforcement of Covenants 28
17.7 Disputed Enforceability 28
17.8 Liquidated Damages 28
18. TRANSFERABILITY OF INTEREST 29
18.1. Transfer by Franchisor 29
18.2. Transfer by Franchisee to a Third Party 29
18.3. Transfer to a Controlled Entity 30
18.4. Franchisor's Disclosure to Transferee 31
18.5. For-Sale Advertising 31
18.6. Transfer by Death or Incapacity 31
19. RIGHT OF FIRST REFUSAL 32
19.1. Submission of Offer 32
19.2. Franchisor's Right to Purchase 32
19.3. Non-Exercise of Right of First Refusal 32
19.4. Sales or Transfers to Family Excepted 33
20. BENEFICIAL OWNERS OF FRANCHISEE 33
21. RELATIONSHIP AND INDEMNIFICATION 33
21.1. Relationship 33
21.2. Standard of Care 33
21.3. Indemnification 33
21.4. Right to Retain Counsel 34
21.5. No Liability for Others' Products or Acts 34
21.6. No Liability for Acts of the Other Party 34
22. GENERAL CONDITIONS AND PROVISIONS 34
22.1. No Waiver 34
22.2. Injunctive Relief 35
22.3. Notices 35
22.4. Cost of Enforcement or Defense 35
22.5. Unlimited Guaranty and Assumption of Obligations 35
22.6. Approvals 35
22.7. Entire Agreement 35
22.8. Severability 36
22.9. Construction 36
22.10. Force Majeure 36
22.11. Timing 36
22.12. Withholding Payments 37
22.13. Further Assurances 37
22.14. Third-Party Beneficiaries 37
22.15. Counterparts 37
22.16. The Exercise of Our Business Judgement 37

22.17. No Affiliate Liability 37
22.18. Operation after Expiration of Term 37
23. DISPUTE RESOLUTION 38
23.1. Choice of Law 38
23.2. Consent to Jurisdiction 38
23.3. Cumulative Rights and Remedies 38
23.4. Limitations of Claims 38
23.5. Limitation of Damages 38
23.6. Waiver of Jury Trial and Punitive Damages 38
23.7. Mediation 39
23.8. Arbitration 39
23.9. CLASS ACTION WAIVER 41
24. ACKNOWLEDGMENTS 41
24.1. Receipt of this Agreement and the Franchise Disclosure Document 41
24.3. Other Franchisees 41
24.4. Consultation by Franchisee 41
24.5. True and Accurate Information 41
24.6. Risk 42
24.7. No Guarantee of Success 42
24.8. No Violation of Other Agreements 42

ATTACHMENTS:

1. Key Terms
2. Nondisclosure And Non-Competition Agreement
3. Unlimited Guaranty And Assumption Of Obligations
4. Holders Of Legal Or Beneficial Interest In Franchisee; Governing Persons
5. Electronic Funds Transfer Authorization

WISE COATINGS FRANCHISES LLC
FRANCHISE AGREEMENT

This Franchise Agreement entered into on the Effective Date by and between Wise Coatings Franchises LLC, a Florida limited liability company, having its principal place of business at 108 Commerce Street, Suite 105, Lake Mary, Florida 32746 ("**Franchisor**" or "**we**"), and the Franchisee identified in the Summary Page ("**Franchisee**" or "**you**").

WITNESSETH:

WHEREAS, Franchisor and its Affiliate have developed, and are in the process of further developing, a System identified by the service mark "WISE COATINGS" and relating to the establishment and operation of a business providing custom floor coatings and garage storage solutions for both residential and commercial customers, referred to as "Wise Coatings Businesses;" and

WHEREAS, in addition to the service mark "WISE COATINGS" and certain other Marks, the distinguishing characteristics of the System include uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; service training; application techniques; customer service and development techniques; other strategies and techniques all of which Franchisor may change, improve, and further develop (the "**Standards**"); and Trade Secrets and other Confidential Information; and the Confidential Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate a Wise Coatings Business using the System and the Marks; and

WHEREAS, Franchisee desires to operate a Wise Coatings Business, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

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

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

1. DEFINITIONS

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

"Affiliate" means any business entity that controls, is controlled by, or is under common control with Franchisor;

"Agreement" means this agreement entitled "Wise Coatings Franchises LLC Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Approved Supplier(s)" has the meaning given to such term in Section 13.1;

"Collected Gross Revenue" means the aggregate of all revenue from the sale of services and products from all sources in connection with the Franchised Business, whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance, but excluding **(a)** all refunds made in good faith, **(b)** any sales and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, **(c)** the value of any allowance issued or granted to any customer of the Franchised Business that is credited by Franchisee in full or partial satisfaction of the price of any products and services offered in connection with the Franchised Business, and (d) any rebate received by Franchisee from a manufacturer or supplier;

"Collected Gross Revenue Reports" has the meaning give to such term in Section 12.2;

"Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) Competitive Services; provided, however, that the term "Competitive Business" shall not apply to **(a)** any business operated by Franchisee under a Franchise Agreement with Franchisor, or **(b)** any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

"Competitive Services" means products or services the same as or similar to those provided by Wise Coatings Businesses or in which Trade Secrets or other Confidential Information of Franchisor could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees. These services include, but are not limited to, custom floor or surface coatings and garage storage solutions, for both residential and commercial customers.

"Confidential Information" means all customer lists, customer data and demographics, vendor information and pricing, financial and marketing data, recipes or formulas, technical and non-technical information used in or related to Wise Coatings Franchised Businesses and not commonly known by or available to the public, including, without limitation, Trade Secrets, construction, cleaning and repair methods and products, customer services techniques and other know-how and methodologies, marketing, and financial data not generally known to the industry or public, and any other information identified or labeled as confidential whether initially created by Franchisor, Franchisee, other franchisees, or a third-party on behalf of Franchisor. Confidential Information shall not include, however, any information that: **(a)** is now or subsequently becomes generally available to the public through no fault of Franchisee; **(b)** Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; **(c)** is independently developed without the use of any Confidential Information; or **(d)** is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

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

"Cooperative Advertising" means the combined advertising program of two (2) or more franchisees established within a common market that Franchisor may require for Wise Coatings Franchised Businesses within a particular region;

"Effective Date" means the date on which Franchisor and Franchisee fully execute this Agreement, thereby commencing its effectiveness and term, OR the date in which your Business begins operating, whichever is sooner;

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

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

"Franchise Fee" has the meaning given to such term in Section 3.1;

"Franchised Business" means the Wise Coatings Business to be established and operated by Franchisee pursuant to this Agreement;

"Franchised Business Office" means the site for the operation of the Franchised Business;

"Franchised Business Storage" means an area designated by Franchisee for the storage of the service tools and equipment of the Franchised Business; such area may be located on-site (at the same site as the Franchised Business Office) or off-site within a leased storage unit;

"Franchisee" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement;

"Franchisor" means Wise Coatings Franchises LLC;

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

"GAAP" means the generally accepted accounting principles, standards, conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements;

"Incapacity" means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing (longer than 120 days in a 12 month period) physical, mental or emotional condition, chemical dependency or other limitation;

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

"Internet Advertising Program" has the meaning given to such term in Section 11.4;

"Local Advertising" has the meaning given to such term in Section 11.1;

"Marketing Fee" has the meaning given to such term in Section 11.2;

"Marks" means the service mark "WISE COATINGS" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings, and other commercial symbols as Franchisor may designate to be used in connection with WISE COATINGS Franchised Businesses;

"Territory" has the meaning given in Attachment 1;

"Royalty Fee" has the meaning given to such term in Section 3.2;

"System" means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn, or otherwise revised by Franchisor for the operation of Wise Coatings Franchised Businesses; and

"**Transfer**" as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) any interest in this Agreement, the License, the Store, substantially all the assets of the Store, or in the ownership of the franchisee (if you are an Entity). "Transfer" as a noun means any such sale, assignment, gift, transfer, pledge, mortgage or encumbrance.

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

2. GRANT OF FRANCHISE; APPROVED LOCATION

2.1. Grant

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts the obligation, upon the terms and conditions herein contained, a revocable, limited and non-exclusive license to operate one (1) Wise Coatings Franchised Business using the System and Marks within the Territory.

2.2. Franchised Business Office and Storage Facility

2.2.1. Franchisee's authorized non-exclusive Territory is described in Attachment 1 ("Key Terms"), or if not yet identified as of the Effective Date, will be described on Attachment 1 via an amendment.

Even though Franchisor does not grant Franchisee an exclusive territory, Franchisor will not operate or grant another franchisee the right to operate in Franchisee's Territory except for those rights expressly reserved to Franchisor. It is possible that another franchisee may have a home office or unmarked storage facility within your Territory, but they will not provide services to customers within your Territory.

2.2.2. The street address (or detailed description of the premises) of the location for the Franchised Business Office is described, or if not yet identified as of the Effective Date, will be described on Attachment 1 ("Key Terms").

2.2.3. The Franchised Business Office shall be located within either a commercial office/light warehouse facility or Franchisee's principal residence.

2.2.4. The service tools and equipment for the Franchised Business shall be stored at the place described on Attachment 1 ("Key Terms").

2.3. Sub-franchising/Agents

Franchisee shall not sublicense or attempt to sublicense the use of the System or Marks to any person or entity. Except as permitted in Section 18, Franchisee shall not grant any person or entity the right to perform any part of Franchisee's rights or obligations licensed hereunder.

2.4. Non-Exclusive License

2.4.1. You will receive a Territory, which is a mutually agreed upon defined territory as defined in Attachment 1. You have the right to provide services to consumers and market inside your Territory, among other rights provided in this Agreement. For so long as you are in compliance with the Agreement, we will not locate an affiliate owned Wise Coatings in your Territory, nor will we grant the right for another franchisee to market or provide services inside your Territory. You may not solicit sales or orders from consumers outside your Territory, but you may accept orders from consumers outside your Territory on a limited basis (for example, if you have a previous existing relationship) so long as doing so does not cause you to enter into or provide services in any other franchisee's territory. You are not permitted to market in another franchisee's territory, except as a group, regional, or other marketing collective unit which we approve.

2.4.2. While you receive a Territory, you will not receive an exclusive territory. We reserve the right to use other channels of distribution, including the internet, to solicit orders from consumers inside your Territory using our principal trademarks (such as marketing on your behalf). If we market in your Territory on your behalf, we will direct those customers located in your Territory to you, subject to your compliance with this Agreement.

2.4.3. We reserve the exclusive right, but not the obligation, to negotiate directly or through an authorized third party (including, another franchisee) with national clients for the provision of goods and services by all System franchisees.

2.4.4. You may not solicit orders from customers outside your Territory, but you may accept

orders from consumers outside your Territory for services to be provided inside your Territory.

2.4.5 When purchasing two or more Territories, you are required to buy vehicles and equipment to support its operational needs. While you may use and share your office, computers, and office staff among two or more Territories, you will have additional expenses associated with developing and operating in the additional Territories. Further, you must meet the minimum performance requirements in each Territory.

2.5 Minimum Sales Volume.

Franchisee expressly acknowledges and agrees that continuation of the Territorial protection herein is dependent on Franchisee achieving certain sales volume. Franchisee shall achieve a minimum sales volume of $360,000 per year in year one, in years two and three (i.e. months 12-36 of operation) $504,000; and beginning in year four (i.e. month 37 of operation) $720,000 and thereafter, calculated on an annual, rolling basis ("Minimum Sales Volume"). If Franchisee fails to maintain the Minimum Sales Volume, Franchisor retains the right to reduce Franchisee's Territory or terminate this Agreement. Franchisor, in its sole discretion may require increased marketing, training and take action to develop with Franchisor a workout plan (also known as a corrective action plan). If Franchisor develops a corrective action plan at Franchisor's sole discretion, Franchisee is required to follow the requirements of such corrective plan. If you do not follow the corrective action plan or otherwise take the necessary actions to achieve the minimum sales volume as described above, we may reduce your territory or terminate your agreement.

3. FEES

3.1. Franchise Fee

Upon execution of this Agreement, Franchisee shall pay an initial franchise fee ("Franchise Fee") to Franchisor in the amount stated on the Summary Page, or if not known as of the Effective Date, to be stated on Attachment 1.

The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is non-refundable. It is specifically understood and agreed by the parties that the Franchise Fee is consideration for the services provided, time expended, work performed, training, commissions, and efforts of the Franchisor through the date of Franchisee's failure to timely commence operations of the Franchised Business, and shall not be construed as nor considered to be a penalty.

3.2. Royalty Fee

Beginning six months from the effective date Franchisee's signed franchise Agreement, Franchisee has an obligation to pay a monthly Royalty Fee. On or before 5:00 PM ET on the 5th day of each month (unless this day is a weekend or federal holiday, then on the business day before), Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a Royalty Fee ("Royalty Fee") equal to the greater of: 5% of Collected Gross Revenue for the previous month or the minimum monthly royalty as defined on the Summary Page. Each Royalty Fee payment shall accompany a Collected Gross Revenue Report, as required by Section 12.2, for the same period. The Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3.4, which shall be submitted to Franchisor via e-mail or intranet system. Franchisor reserves the right to change the timing or method of payment in sole discretion, by providing 30-days' notice to Franchisee.

3.3. Taxes

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

3.4. Electronic Transfer

Franchisor currently requires all Royalty Fees, Marketing Fees, amounts due for purchases by Franchisee from Franchisor, and other amounts due to Franchisor to be paid through an Electronic Depository Transfer Authorization (see Attachment 5). Franchisee shall open and maintain a single bank account for all its Franchised Business, and none other without Franchisor's written consent, and shall provide Franchisor with continuous access via electronic transfer to such account for the purpose of receiving any payments due to Franchisor. Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor's written consent. Franchisor reserves the right to designate another method of payment by providing 30-days' written notice to Franchisee.

3.5. Interest Charges /Late Payments

All Royalty Fees, Marketing Fees, and any other amounts not received by Franchisor on or before the due date, will be subject to interest charges equal to 18% per annum or highest rate allowed by applicable state law. Interest will begin to accrue from the date payment was due, but not received, or date of underpayment, until payment is received in full. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due amounts, including reasonable collection or attorney fees.

Acceptance of a late payment shall not constitute a continuing agreement by the Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee, nor will it release Franchisee of its obligations under the terms of the Franchise Agreement, including a default of the Franchise Agreement for the late payment.

3.6. Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Marketing Fees, purchases from Franchisor, legal fees, late charges, or any other amount owed to Franchisor in any proportion or priority in Franchisor's sole discretion.

4. TERM AND RENEWAL

4.1. Initial Term

This Agreement shall begin on the Effective Date stated on the Summary Page, and shall expire on the Expiration Date stated on the Summary Page unless sooner terminated pursuant to Section 16. Where applicable, all deadlines shall be calculated from the Effective Date.

4.2. Successor Term

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. Franchisee's right to a successor franchise is limited to one (1) additional 10-year term. Your failure to operate for the full initial term or to timely exercise the first renewal right, will serve as a waiver of all renewal rights. To qualify for a successor franchise, each of the following pre-conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

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

4.2.2. Franchisee has updated and refurbished the Franchised Business Office, service vehicle, and equipment, to reflect Franchisor's then-current standards and specifications applicable to new franchisees;

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

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

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

4.2.6. Franchisee has executed Franchisor's then-current form of franchise agreement (or has executed other documents at Franchisor's election that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee, or Marketing Fee; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee but Franchisee will pay the renewal fee (the "Renewal Fee") in the amount stated in the Summary Page. If Franchisee signs the then-current renewal Franchise Agreement after this Agreement expires, then Franchisee shall pay to Franchisor a late renewal fee of $1,500, in addition to the Renewal Fee and all other expenses to cover Franchisor's additional expenses related to the late renewal;

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

4.2.8. Franchisee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor, any Affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Business is located.

5. FRANCHISED BUSINESS OFFICE AND STORAGE

5.1. Franchised Business Office

Franchisee shall operate the Franchised Business Office from commercial office/light warehouse combination in a commercial area or from Franchisee's principal residence. Franchisee shall manage and administer the Franchised Business from the Franchised Business Office, and shall maintain the books and records of the Franchised Business at the Franchised Business Office. Franchisee is solely responsible for determining whether the zoning laws and/or covenants and restrictions of Franchisee's housing development or neighborhood permit or allow Franchisee to conduct business out of their principal residence.

5.1.1 Franchisee will only operate the approved Franchised Business and no other business from the approved location. The computer system and/or CRM System for your Franchised Business will be dedicated for the operation of your Wise Coatings business and used for no other purpose. All sales must be processed through the approved CRM systems and reported as gross revenue and no other supplemental or secondary CRM system may be used. If the Franchisor discovers that the Franchisee has breached this provision, Franchisee may be subjected to our non-compliance fee daily until compliance can be proven; if this issue continues to occur, whether cured or not, Franchisee may be subject to termination in our sole discretion.

5.1.2 Franchisee must properly dispose of its wastes, and for this reason franchisee may need access to a dumpster to dispose of unused products and trash; this dumpster may be rented, purchased or be provided as part of your commercial storage space.

5.2. Storage Space

If there is insufficient storage space on-site at the location of the Franchised Business Office to

store the Franchised Business' service tools and equipment, then Franchisee may be permitted to store the same off-site within a leased storage unit, provided that Franchisee informs Franchisor in writing of the location of the storage unit. The storage unit may not display any signage reflecting the Marks.

5.3. Development of Franchised Business Office and Storage

Franchisor shall make available to Franchisee, at no charge to Franchisee, then-current information or specifications for the Franchised Business Office, service vehicle, service tools and equipment and other equipment and supplies necessary for the establishment and development of a Wise Coatings Business. Franchisee is responsible for obtaining an approved site within 90 days of signing the Franchise Agreement. Franchisor will use reasonable efforts to approve or disapprove the proposed site within thirty (30) days after receipt of Franchisee's request. Franchisor will provide its decision in writing. As set forth in Section 5.1, Franchisee may operate the Franchised Business Office from within Franchisee's principal residence. Within 90 days after the Effective Date, Franchisee shall have **(a)** established the Franchised Business Office, **(b)** acquired and set-up all required office equipment including broadband or high-speed Internet service, **(c)** acquired and set up at least one telephone number dedicated to the Franchised Business, **(d)** acquired a service vehicle meeting Franchisor's specifications, and have it wrapped and lettered in accordance with Franchisor's specifications, **(e)** acquired the service tools and equipment, including a dumpster or other means for proper disposal of unused or excess product, required for the operation of the Franchised Business, and **(f)** if necessary, secured off-site storage space for tools and equipment. All items must be purchased from our designated or approved supplier. If Franchisee is diligently attempting to meet these requirements within the 90-day period, but circumstances outside of Franchisee's control prevent Franchisee from meeting the deadline, Franchisor will give Franchisee extra time (not to exceed an additional 90 days) to meet these requirements.

5.4. Failure to Develop Franchised Business Office and Storage

If Franchisee fails to meet its obligations within one hundred and fifty (150) days of the Effective Date, as described in Section 5.3., above, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.4, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained is specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, commissions, training, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business, and such fee shall not nor should it be construed as a penalty.

5.5. Opening

5.5.1. Within one hundred twenty (120) days after the Effective Date, but before commencing business, Franchisee must:

5.5.1.1. Fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 5;

5.5.1.2. Furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

5.5.1.3. Complete initial training to the satisfaction of Franchisor;

5.5.1.4. Hire and train the personnel necessary or required for the operation of the Franchised Business;

5.5.1.5. Research and obtain all necessary permits and licenses, including any zoning permits needed to operate the Franchised Business Office from the principal residence of the Franchisee;

5.5.1.6. Confirm that each share certificate (or other certificate reflecting an ownership interest) shall have conspicuously endorsed on it a statement, in a form satisfactory to Franchisor, that the

certificate is held subject to the transfer restrictions contained in the Franchise Agreement;

5.5.1.7. Pay in full all amounts due to Franchisor.

5.5.1.8. Purchase all the required equipment and inventory, including (if applicable) complete customization of your vehicles according to the standards of the System and only from the designated or approved supplier.

5.5.1.9 Confirm a dumpster or other appropriate receptacle is available to properly dispose of unused or excess product as required.

5.5.2. Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised Business within one hundred twenty (120) days after the Effective Date. Time is of the essence. Franchisee shall not commence operations, however, until Franchisor has delivered written permission; Franchisor shall not unreasonably withhold permission to begin operations.

5.5.3 BY VIRTUE OF COMMENCING OPERATIONS OF YOUR WISE COATINGS BUSINESS, FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS FULFILLED ALL OF OUR OBLIGATIONS TO FRANCHISEE THAT FRANCHISOR IS REQUIRED TO FULFILL PRIOR TO THE OPENING OF YOUR WISE COATINGS BUSINESS.

5.6. Failure to Open

If Franchisee fails to commence operation of the Franchised Business within one hundred twenty (120) days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.6 or for any other reason, Franchisor shall retain the entire Franchise Fee paid by Franchisee and Franchisee waives and releases all claims to a refund of the Franchise Fee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business and shall not be construed as nor considered to be a penalty.

5.7. Relocation

Franchisee shall not relocate the Franchised Business Office or storage facility without the prior written consent of Franchisor. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.6. If Franchisee loses the right to possess the Franchised Business Office and the parties do not agree upon a substitute site within ninety (90) days after such event, this Agreement shall terminate as provided in Section 16.2.1.1.

5.8 Purchase of Multiple Territories

If Franchisee is purchasing two or more territories, the typical length of time between the signing of the Franchise Agreement and the opening of the second franchise, including purchasing the required vehicles and equipment, will be approximately 12 months and not be greater than 18 months. If Franchisee fails to meet the 18-month deadline for beginning operations of such second (and any subsequent) territory, Franchisor may terminate your franchise agreement for your second (and any subsequent) territory, without refunding any amounts paid in connection with these additional territories, and you may not be afforded the opportunity to cure. Franchisee will also forfeit any initial franchise fees that have been paid for the second or subsequent territories.

6. PROPRIETARY MARKS

6.1. Ownership

6.1.1. Franchisor represents that applications for registration of certain of the Marks have been filed with the appropriate authorities. Franchisee acknowledges that Franchisor has not made any representation or warranty to the effect that the Marks which have not been registered shall be registered or

are able to be registered therein, and the failure to obtain registrations of any of the Marks shall not be deemed to be a breach of the terms of this Agreement by Franchisor. Moreover, Franchisee shall cooperate with Franchisor and its representatives, at Franchisor's expense, in the prosecution of any applications or registrations of any Marks which have been filed with the appropriate authorities. Franchisor undertakes to keep Franchisee informed of the progress in obtaining registration of the Marks, and any delay or inability to register any Mark shall not constitute a breach of this Agreement.

6.1.2. Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited solely to the conduct of the Franchised Business by the Franchisee granted pursuant to, and in compliance with, this Agreement including all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the sole benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee all of which inures exclusively to the benefit of Franchisor. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2. Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business.

Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on its letterhead, forms, cards and other such identification, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated WISE COATINGS Franchise" of Franchisee.

Franchisee must obtain Franchisor's prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or providing any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization) in connection with the Franchised Business. Franchisor may withhold any such consent in its sole and absolute discretion.

6.3. Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, are necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4. Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any

trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has used the Marks in compliance with Franchisor's instructions and has complied with the provisions of Section 6.3 and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor or in any litigation where Franchisee did not properly use the Marks as authorized by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

6.5. Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.6. Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business; operating in compliance with our system and standards; and properly recording and reporting Gross Revenue; Franchisor reserves the right to inspect the Franchised Business Office and Storage facility, accounting records, bank documents, and taxes; to visit and inspect any jobsite; and talk to any customer, supplier, or employee. Such inspections may also include, without limitation, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures. Franchisor may, from time to time, make suggestions and give mandatory instructions with respect to the operation of your Wise Coatings franchise as Franchisor considers necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System. Franchisor may also set a minimum score requirement for inspections; Franchisee's failure to meet or exceed the minimum score will constitute a default under this Agreement. Without limiting Franchisors other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection.

6.7. Franchisor's Sole Right to Domain Name

Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "WISE COATINGS" or any variation thereof without Franchisor's written approval. Franchisor is the sole owner of a right, title and interest in and to such domain names as Franchisor shall designate in the Confidential Operations Manual.

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7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1. Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor will disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Confidential Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information or Franchisor's goodwill, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement and for no other purpose. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): **(a)** shall not, directly or indirectly, use the Trade Secrets or other Confidential Information in any other business or capacity or for the benefit of any other party; **(b)** shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; **(c)** shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2. Additional Developments /Work Made for Hire

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

7.3. Exclusive Relationship

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

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

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

7.4. Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee (and any member of their immediate family members or households), and any officer, director, executive, manager, or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Attachment 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section 7.4. Such agreements shall remain on file at the Franchised Business Office and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5. Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section 7 are essential elements of this Agreement and that without their inclusion Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System, the Marks, Franchisor's goodwill, and Franchisor's franchise system; and Franchisee expressly waives any right to challenge these restrictions as being overly broad, unreasonable, overly burdensome or otherwise unenforceable. Franchisee affirms that it has other means of earning living from its employment experience prior to becoming a franchisee and will not be unreasonably burdened in complying with these obligations.

8. TRAINING AND ASSISTANCE

8.1. Initial Training

Franchisor shall make an initial training program available to you, and up to one other employee. Approximately three to four weeks prior to the opening of the Franchised Business, you must attend and successfully complete initial training to Franchisor's satisfaction, including the passing of tests at the end of initial training. Franchisor shall conduct the initial training program in person at its training location in Lake Mary, Florida, or at another designated location selected by Franchisor in its sole discretion; this training may also be conducted virtually. Franchisor shall not charge tuition or similar fees for initial training for up to three people, which must include Franchisee and must be at the same time. However, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries or wages, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its management and other employees. You must complete initial training to our satisfaction, including the passing of tests at the end of initial training.

8.1.1 Franchisor may send Franchisee to client sites to obtain on-site training. We cannot predict precisely the types and volumes of jobs that the Lake Mary, Florida, or other training areas will have while you are in training. Classroom training occurs in between on-site projects and may be provided by videoconference, and the time required to complete those trainings are only estimates that may vary depending on the number of people attending training and the number of questions or re-coverage of topics is required by the training group at the time of attendance.

8.2. Opening Assistance

In conjunction with the beginning of operation of the Franchised Business as part of initial training, Franchisor shall make available to Franchisee, at Franchisor's expense, one of Franchisor's representatives, experienced in the System, for the purpose of familiarizing Franchisee's staff with the Wise Coatings techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business. If Franchisee requests additional assistance with respect to the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional operations assistance.

8.3. Additional Training

If Franchisee brings new principals into the franchise, the new principals must attend Franchisor's initial training program, or train with a franchisee who agrees to provide such training. Franchisee will be required to pay Franchisor's then-current rates for additional training, presently $1,000 per day.

8.4. Reserved

8.5. Ongoing Training and Enrichment Training

From time to time, Franchisor may provide and if it does, has the right to require that the Owner attend ongoing training programs or seminars during the term of this Agreement, whether in person, virtually, or otherwise. Franchisor may charge a fee for mandatory or voluntary ongoing training. Franchisor shall not require the Owners to attend more than one session in any calendar year and not more than three (3) days in any calendar year. Franchisee shall be responsible for all travel costs, room and board and employees' salaries and wages incurred in connection with the attendance at such training. Franchisor may require the Owner to attend enrichment training, which is mandatory if you fail to meet Franchisor's minimum performance expectations. We reserve the right to delegate some portion of the initial and ongoing training duties, and operational support duties, to a representative approved by us.

8.6. Stampede Conferences

We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Wise Coatings franchisees. Attendance at these conferences is mandatory. We will not require attendance at more than one (1) conference during any calendar year. You must pay us a conference registration fee for each person that attends, or is required to attend (despite failure to attend), a mandatory conference. The amount of the conference registration fee will not exceed $1,000 per person per conference and payment will be due no later than January 30th of each year. In addition to the conference fee, you will be responsible for all travel costs, meals, and lodging for you and your staff members who attend the conference. We may host one or more webinars during any year, and the number of webinars is not effected by the conference limitations.

8.7. On-Site Training Cancellation Fees.

If Franchisor or its representative is scheduled to conduct an on-site training program, or scheduled for a visit at the Franchisee's location for training or other reasons, or if the Franchisee registers for a training program and Franchisee subsequently cancels, fails to attend, fails to have the appropriate parties attend, or fails to stay for the entire training program then Franchisee shall pay the Franchisor, their then-current on-site training cancellation fee (the "On-Site Training Cancellation Fee"). The On-Site Training Cancellation Fee may vary depending upon the type of schedule training program and how far in advance you notify the Franchisor in writing of the cancellation and the cost and expense incurred in rescheduling our travel arrangements or other costs due to your cancellation.

8.8. Nature and Assistance of Training

Franchisee agree that Franchisor is not obligated to provide any training or assistance to

Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. Franchisee also acknowledge that Franchisor is not obligated to provide any services to Franchisee that are not set forth in this Agreement. If Franchisee believes the Franchisor has failed to adequately provide any pre-opening services to the Franchisee or to its employees, whether with respect to site selection, selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of Franchisee's business, Franchisee must immediately notify the Franchisor in writing within thirty (30) days following the opening of Franchisee's business or the Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by the Franchisor were sufficient and satisfactory in Franchisee's judgment, and complied with all representations made to the Franchisee.

8.9 Delegation of Performance

Franchisee agrees that Franchisor has the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

9. CONFIDENTIAL OPERATIONS MANUAL

9.1. Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one copy, digital or otherwise, of the Confidential Operations Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Confidential Operations Manual and training materials which may be revised from time to time in Franchisor's sole discretion. The Confidential Operations Manual may consist of one or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form, may contain videos and other types of training formats, and may be amended from time to time by the Franchisor in writing, digitally or otherwise. The Confidential Operations Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned to Franchisor upon expiration or termination of this Agreement and Franchisee shall destroy any copies (electronic or otherwise) of the Confidential Operations Manual in its possession.

9.2. Revisions

Franchisor has the right to add to or otherwise modify the Confidential Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor. Franchisor shall make such additions or modifications available to you on the same basis that they are made available to other franchisees. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Confidential Operations Manual is up-to-date at all times. If a dispute as to the contents of the Confidential Operations Manual arises, the terms of the master copy of the Confidential Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3. Confidentiality

The Confidential Operations Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Confidential Operations Manual is available at the Franchised Business Office in a current and up-to-date manner. If the Confidential Operations Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Confidential Operations Manual in a secure manner at the Franchised Business Office; if the Confidential Operations Manual is in electronic form, Franchisee shall maintain the Confidential Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Confidential Operations Manual, access to the Confidential Operations Manual or any key, combination or passwords needed for access to the

Confidential Operations Manual. Franchisee shall not disclose, duplicate or otherwise use any portion of the Confidential Operations Manual in an unauthorized manner. Franchisee shall not use or benefit from Franchisor's Confidential Information for any purpose other than the operation of the Franchised Business in accordance with the terms of this franchise agreement.

10. FRANCHISE SYSTEM

10.1. Compliance with Standards

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Operations Manual or other communications supplied to Franchisee by Franchisor.

10.2. Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new or replacement computer hardware and software, equipment, or signs. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor; provided, however, that Franchisee shall not be required to make any expenditures during the first year of the initial term or any expenditures which are unreasonably disproportionate to Franchisee's initial investment to establish the Franchised Business during the initial term. If such additional investment is required to be made in the last year of the initial term, Franchisee may avoid making the investment by providing notice of intent not to renew the Franchise unless the investment is in connection with a modification to the System required by law or court order. Franchisee acknowledges that any required expenditures for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 13.2 of this Agreement. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.2.1 Consistent with the foregoing, among other things, Franchisor reserves the right periodically to undertake technology initiatives, the purpose of which would be enhance the technology associated with the franchise system including, without limitation, enhanced internet capability, use of proprietary digital applications and enhanced support services. Although Franchisor cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over the remaining term of this Agreement, Franchisee agrees to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions or modifications) and required service or support. Franchisor has no obligation to reimburse you for any Computer System costs. As otherwise permitted in this Agreement, Franchisor may access the Computer System and retrieve and use all data and information relating to the operation of the Franchised Business.

10.2.2 Notwithstanding the fact that Franchisee must purchase, use, and maintain the Computer System consistent with our standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, updates and upgrading of the Computer System, including compliance with the standards that we periodically require; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; (3) the installation, maintenance and support of the Computer System, including firewalls and antivirus protections, although Franchisor may from time to time require or recommend third parties to provide these functions; and (4) any and all consequences that may arise if the Computer System is not properly operated, maintained and upgraded, including but not limited to virus and spyware issues.

10.2.3 All of Franchisee Computer Systems must be compliant with all applicable laws, regulations, and commonly accepted industry standards, including without limitation those laws, regulations, and commonly accepted industry standards relating to privacy, data security, and the processing

and protection of confidential personal information, including without limitation the Payment Card Industry Data Security Standards and all other standards applicable to electronic payments that may be published from time to time by payment card companies.

10.3. Refurbishment of the Equipment and Vehicles

Franchisee may be required, at Franchisor's request, to refurbish and update its equipment and service vehicles during the fifth (5th) year of the franchise term, but will not be required to spend more than an average of Twenty-five Thousand Dollars ($25,000.00) for such purpose. Franchisor shall provide Franchisee with specifications for all required refurbishment. If Franchisor determines that Franchisee's service vehicle does not meet the Standards (i.e., in good operating condition) in its sole discretion, the Franchisor reserves the right to require Franchisee to replace the service vehicle at any time during the term of this Agreement and the cost will be determined by market conditions and not Franchisor. (The replacement of vehicles as and when necessary is not included in the estimated refurbishment expense listed above.) Factors in determining is a vehicle must be replaced may include mileage of current vehicle, appearance and functionality for Franchisee's current level of business. Examples of refurbishments may include but are not limited to: wraps, tires, shelving and other such items that may wear out or become outdated due the nature of the Franchised Business. The obligations described herein are exclusive of the obligations described in Section 10.2.

10.4. Variance

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

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1. Local Advertising

11.1.1. Franchisee shall continuously promote the Franchised Business, and failure to do so is a material breach of this Agreement. Following Onboarding, (which is defined as weeks 1-8 immediately following the Effective Date), each month of operation the Franchisee shall the spend $4,500 per month on advertising, promotions and public relations within the immediate locality surrounding the Franchised Business ("Local Advertising"). Such expenditures shall be made directly by the Franchisee, subject to the prior approval and direction of Franchisor. We measure your compliance on a rolling quarterly basis, meaning that if your expenditures are less than $4,500 for a given month but your average monthly expenditure over the quarter is at least $13,500 you are deemed to be in compliance. Franchisor shall provide general guidelines to Franchisee for conducting Local Advertising. Within thirty (30) days after the end of each year, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising for the preceding year.

11.1.2. Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to internet advertising, funnels, social media marketing, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within fifteen (15) days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such fifteen (15) day period, such materials shall be deemed to have not received the required approval. Franchisee shall not use any marketing or promotional material prior to written approval by Franchisor. The submission of advertising materials to Franchisor for approval shall not affect Franchisee's right to determine the prices at which Franchisee sells products or provides services.

11.2. Marketing Fee

Franchisor has established and administers a System-wide marketing, advertising and promotion fund to facilitate regional and national advertising and brand recognition efforts to which Franchisee shall contribute a monthly fee. On or before 5:00 PM ET on the 5th day of each month (unless this day is a weekend or holiday, then on the business day before), Franchisee shall contribute to the Marketing Fee an amount specified by Franchisor from time to time, as indicated on the Summary Page, but not to exceed 3% of Collected Gross Revenue for the applicable period ("Marketing Fee"). The Marketing Fee shall be due at the same time as the Royalty Fee. Marketing Fee shall be made at the time and in the manner provided for Royalty Fees in Section 3.2. Franchisor shall notify Franchisee at least thirty (30) days before changing Marketing Fee requirements. The Marketing Fee shall be maintained and administered by Franchisor or its designee as follows:

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

11.2.2. Franchisee's Marketing Fee may be used to meet the costs of, or to reimburse Franchisor for its costs of, any cost of conducting market research, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, intranet, magazine, newspaper, and direct mail advertising campaigns and other public relations activities; developing and/or hosting an Internet and/or intranet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). Marketing Fee shall not be used for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Marketing Fee monies (including Internet advertising) information concerning franchise opportunities, and a portion of Marketing Fee monies may be used to create and maintain one or more pages on Franchisor's web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates.

11.2.3. Franchisee acknowledges that the Marketing Fee (and marketing program) is not a trust, escrow, or a fund, and neither Franchisor nor its affiliates assume no fiduciary obligation for administering or auditing the marketing program or for any other reason. Franchisor may as it deems necessary prepare an unaudited report of the marketing program each year, and may provide Franchisee a copy upon receipt of Franchisee's written request.

11.3. Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of WISE COATINGS Businesses located within a particular region. Franchisor has the right to collect and designate all or a portion of the Local Advertising to payments or contributions to Franchisor for the funding of a Cooperative Advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region. If a Cooperative Advertising program is implemented in a particular region, Franchisor has the right to establish an advertising council to self-administer the Cooperative Advertising program. Franchisee shall participate in the council according to the council's rules and procedures and Franchisee shall abide by the council's decisions. Should Franchisor establish a Cooperative Advertising program or programs with or without an advertising council, Franchisor has the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time.

11.4. Internet Advertising Program

Franchisee may market its Franchised Business only through approved social media channels in accordance with Franchisor's social media policy and Standards. Franchisor may require that Franchisee utilize Franchisor's designated supplier for social media marketing services. Franchisee may not otherwise establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent. Franchisor has established and maintains an Internet website, presently at the uniform resource locator www.wisecoatings.com, that provides information about the System and the products and services that Franchisor and its franchisees provide. We have an Internet advertising program ("**Internet Advertising Program**") which we use to design a webpage for your Franchised Business, link it to the WISE COATINGS website, and promote your webpage on the Internet. We reserve the right to modify or discontinue this program.

11.5. Telephone/Internet Directory Advertising

If we so require, Franchisee must list the telephone number(s) for the Franchised Business in a local telephone or internet directory in its trade area. We may require the franchisee to place the listing(s) together with other WISE COATINGS Businesses operating within the distribution area of the directories. If a joint listing is obtained, all WISE COATINGS Businesses listed together shall pay a *pro rata* share of the cost of the listings. Directory advertising expenditures are part of Franchisee's Local Advertising obligations.

11.6. Public Relations and Association with Causes

Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor's prior written approval. Franchisee shall not in the name of the Franchised Business or WISE COATINGS System (a) donate money, products, or services to any charitable, political, religious, or other organization, or (b) act in support of any such organization, without the Franchisor's prior written approval. A breach of this provision is cause for termination of this Agreement in Franchisor's sole discretion.

11.7. Loyalty Programs, Prize Promotions, and Promotional Literature

11.7.1. You shall participate in and offer to your customers: ***(a)*** all customer loyalty and reward programs; ***(b)*** all contests, sweepstakes, and other prize promotions; and ***(c)*** all promotional deals, which Franchisor may develop from time to time. Franchisor will communicate to you in writing the details of each such program, promotion, and deals, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Franchised Business as Franchisor may designate. You shall purchase and distribute all coupons and other collateral merchandise (and only the coupons and collateral merchandise) designated by Franchisor for use in connection with each such program, promotion, or deal.

11.7.2. If Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, loyalty cards, and/or customized promotional receipts, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Franchised Business.

11.7.3. You also shall display all promotional literature and information as Franchisor may reasonably require from time to time.

11.8 Grand Opening Advertising

Franchisee is required to spend a minimum of $10,000 in Grand Opening Advertising as Franchisor may determine in our sole discretion in a manner that we require. These funds will spent as we directly over a 90 day period, beginning 30 days before your opening and continuing for 60 days after your opening. Franchisee may choose to spend more, but any additional amount spent must conform with our requirements. Franchisor may require this amount to be spent before opening, within a certain number of days after opening, or a combination thereof. Franchisee shall pay this amount directly to an approved third-party vendor, as we require. The Grand Opening Advertising obligation is in addition to other advertising obligations, and does not count towards the Marketing Fee or the local advertising obligations.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1. Records

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

12.2. Collected Gross Revenue Reports

Franchisee shall maintain an accurate record of Collected Gross Revenue and shall deliver to Franchisor via the Internet a signed and verified statement of Collected Gross Revenue ("Collected Gross Revenue Report") for the month ending each month by the 5:00 PM ET on the 5th day of the following month, in a form that Franchisor approves or provides in the Confidential Operations Manual. The Collected Gross Revenue Report for the preceding month must be provided to Franchisor by 5:00 PM ET on the fifth day of each month as provided in Section 3.2. Conversely, to the extent that Franchisor has this information, Franchisor may provide franchisees with the Collected Gross Revenue Report.

12.3. Financial Statements

Franchisee shall supply to Franchisor on or before the fifteenth day of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date. Franchisee shall, at its expense, submit to Franchisor within ninety (90) days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with GAAP, applied on a consistent basis. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Confidential Operations Manual or otherwise in writing.

By the 5:00 PM ET on April 30 of each year, Franchisee shall provide to Franchisor all tax returns which contain income and expenses of Franchisee's WISE COATINGS Franchised Business.

12.4. Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Confidential Operations Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor's lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement. If Franchisee fails to submit any required reports under this Agreement within three business days of the due date, a weekly late reporting fee of $250 per report per incident applies,

which is payable to Franchisor upon demand.

12.5. Software and Technology

During the term of this Agreement, Franchisor reserves the right to require the Franchisee to purchase, install and use computer equipment consisting of hardware and software in accordance with Franchisor's then-current specifications, which may include the obligation to purchase or acquire certain software licenses related thereto. This may include a business management and accounting software providing customer relationship management, scheduling, inventory, and data management services. Franchisor has established a Technology Fee of $750 per month ("Technology Fee"). The Technology Fee provides you access to your email address under the Franchisor's domain, one webpage, and other technology as listed above or as may be provided or required by Franchisor from time to time. Franchisor shall notify Franchisee at least thirty (30) days before changing the Technology Fee requirements. Franchisor may change the software or technology that Franchisee must use at any time, and pass through costs to the Franchisee plus a reasonable administrative fee for use of the software and technology. Franchisor may also develop proprietary software or technology that must be used by WISE COATINGS franchisees. If this occurs, Franchisee agrees to enter into a license agreement with Franchisor (or an affiliate of Franchisor) and pay Franchisor (or Franchisor's affiliate) a commercially reasonable licensing, support and maintenance fees. The terms of the license agreement will govern the terms pursuant to which Franchisee may utilize this software or technology. Franchisor also reserves the right to enter into a master software or technology license agreement with a third-party licensor and then sublicense the software or technology to the Franchisee, in which case Franchisor may charge Franchisee for all amounts that we must pay to the licensor based on Franchisee's use of the software or technology plus a reasonable administrative fee. All fees referenced in this Section 12.5 are due on or before 5:00 PM ET on the day of each month that we specify from time to time. Franchisor shall, at all times, have full access to all of Franchisee's computer, software, data and systems, and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement.

12.5.1 Information System Technologies

(a) Approved information systems. We may designate the information system used in your Franchised business, including the computer hardware, software other equipment and enhancements (the "Information System"). If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the franchise business unless otherwise directed by us.

(b) You are solely responsible for protecting yourself from disruptions, Internet Access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us or our affiliates as the direct or indirect result of such disruptions, security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Franchise Business, unless otherwise directed by us.

(c) Indemnification: You hereby release and agree to hold us and our affiliates and our respective officers and directors, harmless from and against any and all claims, liability, damages or causes of action of any nature arising from or in connection with the installation, maintenance or operation of the Information System and its billing and payment processing, except to the extent arising from such party's gross negligence or intentional acts.

(d) Ownership Information All of the information we or our affiliates obtain from you or about your Franchised Business, and all information in your records or our concerning the members of your Franchised Business ("the Information") and all revenues we derive from the Information will be our property. However, you may at any time during the term of this Agreement use in the operation of your Franchised Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Franchised Business, such as customer data. The information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. You hereby authorize your payment processor to release the information to us at any time. Following termination or expiration of this Agreement you will no longer use any of the Information, except to comply with your post-term obligations under this Agreement and you authorize your payment processor to release the Information exclusively to us and/or our designees

12.6. Right to Inspect

Franchisor or its designee has the right, to examine, copy and audit the books, financial data, business records, bank records, and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of fifteen percent (15%) per month (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower). If the audit or any other inspection should reveal that Franchisee has not spent a monthly minimum of $4,500 per month on Local Advertising, or if the inspection discloses an underpayment of three percent (3%) or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). Franchisee shall also pay interest from the date such amount was due until paid at the rate of one and one-half percent (1.5%) per month (or the rate legally allowed by the law of the state where Franchisee is located, whichever is lower). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7. Release of Records

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

12.8. Audit Expenses

Franchisee shall pay the Franchisor all costs and expenses associated with an audit if the audit shows that the Franchisee has not spent the minimum Local Advertising spend per Section 11.1.1. or if the Franchisee has underreported amounts owed to the Franchisor by 3% or more. The cost and expense of an audit is in addition to any amounts owed to the Franchisor under this Agreement and any rights and remedies available to the Franchisor under this Agreement.

13. STANDARDS OF OPERATION

13.1. Authorized Products, Services and Suppliers

13.1.1. Franchisee shall provide or offer for sale or use at the Franchised Business only those services, approved by Franchisor which currently include custom floor coatings and garage storage solutions services (the "Services"). The Services must be provided with the greatest diligence and care by Franchisee, using chemicals, products, supplies, equipment and other items that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. Additionally, Franchisee shall permit qualified technical advisors and inspectors to inspect all work Franchisee performs at any time such advisors and inspectors may so request. Franchisee shall not offer, sell, or use in the operation of the Franchised Business any products or services that Franchisor has not approved.

13.1.2. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate). These items or services may include, without limitation, service tools, equipment, chemicals, personal protective equipment, vehicle, vehicle wraps, business cards, stationery and pre-printed forms, loyalty or rewards programs, gift card administration, and collateral merchandise such as T-shirts and branded clothing. You shall continue to purchase epoxy, polyaspartic, flake, and crack repair materials and other such items as we designate from time to time, from PolyWise on an on-going basis throughout the Term of this Agreement. Though approved by us, we and our affiliates make no warranty and expressly disclaim all warranties, including warranties of merchantability for any particular purpose with respect to fixtures, furniture, equipment (including without limitation, any and all required computer systems) supplies or other approved items.

13.1.3. Franchisor shall provide Franchisee, in the Confidential Operations Manual or other written or electronic form, or other format as determined by Franchisor, with a list of specifications and, if applicable, a list of Approved Suppliers for some or all of the supplies, furniture, fixtures, inventory, equipment and other approved or specified items and services, and Franchisor may from time to time revise such list. If Franchisee desires to utilize any products, services or new technology that Franchisor has not approved (for products and services that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier. Franchisor will decide within a reasonable time (usually thirty (30) days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential. Franchisor will not unreasonably withhold consent to use offer, sell or promote such products or services so long as they are complementary to services provided by Wise Coatings and you have the proper training, skills, equipment, and manpower to provide the goods or perform the services in a high-quality manner that builds goodwill and reputational excellence. We retain the right to revoke our permission at any time in our sole discretion.

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

13.1.5. Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as

Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to give its consent to one or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in Franchisee to provide the same products or services. We will not unreasonably withhold our consent.

13.1.6. Franchisee acknowledges and agrees that Franchisor and/or its affiliate may derive compensation or other benefits based on Franchisee's purchases or leases from designated or approved suppliers, and that Franchisor has the right to retain such compensation or benefits in consideration of the valuable services provided by Franchisor and/or its affiliate. Franchisee shall have no interest in or claim to such compensation or benefit.

13.2. Appearance and Condition of the Franchised Business

Franchisee shall maintain the service tools and equipment, service vehicle and signage of the Franchised Business in "like new" condition, and shall repair or replace service tools and equipment, service vehicle and signage as necessary to comply with the health and safety standards and specifications of Franchisor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2.

Franchisee shall prominently display, at Franchisee's expense, both on the interior and exterior of the Franchisee's WISE COATINGS business premises, signs in such form, color, number, location and size, and containing such Marks Franchisor may designate. Franchisor may require the Franchisee to use illuminated signs. Franchisee shall obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with all laws and ordinances in your jurisdiction. Franchisee shall not display in or upon Franchisee's WISE COATINGS business premises any sign or advertising of any kind to which Franchisor may object. Franchisee reserves the right to require Franchisee to update Franchisee's signage at any time at Franchisee's sole expense.

Franchisee shall conform to all quality and customer service standards prescribed by the Franchisor in writing and shall transact business in an honest and professional manner.

Franchisee shall operate the Franchised Business so that it is clearly identified and advertised as a "WISE COATINGS" business. Franchisee shall use the trademark "WISE COATINGS" and the other Marks which now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, technology platforms, signs and other articles in the identical combination and manner as the Franchisor may prescribe in writing and the Franchisee shall supply to the Franchisor samples or photographs of the same upon Franchisor's request. Franchisee shall comply with all trademark, trade name, service mark and copyright notice marking requirements and Franchisee shall supply to the Franchisor samples or photographs of the same upon our request.

Franchisee shall not change or alter any aspect of the design without Franchisor's approval prior to use. This may apply, but is not limited to, to vehicle wraps, uniform logos, other merchandise for sale and the like.

13.3. Ownership and Management

The Franchised Business shall, at all times, be under the direct supervision of Franchisee . You shall devote best efforts to the management of the day-to-day operation of the Franchised Business, but not less than 35 hours per week, excluding vacation, sick leave and similar absences. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

Franchisee shall maintain a competent, conscientious, and trained staff (who shall have been adequately trained by Franchisee or in accordance with Franchisor's standards) in numbers sufficient to service customers promptly and professionally, including at least a manager or shift leader on duty at all times at which the Franchised Business is open (including daily Franchised Business opening and closing

procedures), and shall take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe. In addition, Franchisee and its employees shall handle all customer complaints, refunds, returns or other adjustments in accordance with Franchisor's policies as set forth in the Confidential Operations Manual or otherwise in writing. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for Franchisee or Franchisee's employees. Franchisee is exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for scheduling, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging Franchisee's employees. Franchisee is exclusively responsible for labor relations with your employees and you are obligated to make yourself aware of the laws that affect your employer obligations.

Franchisee acknowledges and agrees that Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of the Franchised Business. Franchisee agrees that any employee, agent, or independent contractor that Franchisee hires will be Franchisee's employee, agent, or independent contractor, and not Franchisor's employee, agent, or independent contractor. Franchisee also agrees that Franchisee is exclusively responsible for the terms and conditions of employment of Franchisee's employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions of the Franchised Business in compliance with federal, state, and local employment laws.

13.4. Days of Operation

Franchisee shall keep the Franchised Business open for business at least eight (8) hours per day, five (5) days per week as specified in the Confidential Operations Manual.

13.5. Certifications

You may be required to obtain licenses and certifications as we may specify, which you shall obtain within the time period we specify. You may also be required to obtain licenses and certifications pursuant to state, city, or local laws and ordinances, which you must obtain to operate the Franchised Business. It is your responsibility to determine if and what licenses and certifications are required by state, city, or local laws.

13.6. Licenses and Permits

Franchisee shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of the Franchised Business, including all zoning and local permits necessary to operate the Franchised Business from the principal residence of Franchisee, and shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7. Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule, or

regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8. Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business, including operating in strict compliance with all applicable rules and regulations. Franchisee shall at all times give prompt, courteous, honest, and professional service to customers of the Franchised Business and all persons with whom the Franchised Business interacts. The Franchised Business shall in all dealings with its customers, vendors, Franchisor staff members, and the general public, adhere to the highest standards of honesty, professionalism, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint or has operated outside of applicable rules and regulations, Franchisor has the right to intervene and satisfy the customer or resolve conflicts with vendors or others affected by Franchisee's conduct. Franchisor has the right to terminate this Agreement for violation of this Section 13.

13.9. Uniforms

Franchisee shall abide by all uniform and dress code requirements stated in the Confidential Operations Manual or otherwise. Uniforms must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

13.10. Payment Systems

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card or other payment systems now existing or established in the future, issuers as Franchisor may designate, from time to time, to enable the Franchised Business to accept such methods of payment from its customers. Currently only those payment systems that can be processed through the current CRM, Housecall Pro, will be accepted. Franchisor reserves the right to update these payment systems via the Manual or other written communication and Franchisee shall comply within 5 business days of notification.

Franchisee shall accept debit cards, credit cards, and stored value cards, that Franchisor specifies periodically to enable customers to purchase authorized products, and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. Franchisee shall not accept any currency other than USD, and specifically is prohibited from accepting any cryptocurrency and tokens (including, but not limited to, BITCOIN). The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. Franchisee is solely responsible for its own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee shall defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or related to Franchisee's violation of the provisions of this Section 13.10.

13.11. E-Mail

Franchisee shall, at all times and at Franchisee's expense, maintain an e-mail address and account for communicating with Franchisor, per Franchisor's specifications. To the extent Franchisor provides an authorized email to Franchisee, then Franchisee shall use only the assigned email for all Franchised Business' purposes. Franchisee shall respond to all e-mails within 48 hours of receipt. Should Franchisee

not respond within 48 hours, Franchisor shall exercise its rights under this Agreement such as application of the default fee or non-compliance fee or other remedies as applicable.

13.12. Best Efforts and Minimum Performance Criteria

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

13.13 Other Franchisee's Employees

Franchisee is not prohibited from soliciting or hiring other WISE COATINGS franchisee's employees. If Franchisee employs another WISE COATINGS franchisee's employee who has attended Franchisor's training within 12 months of the hire date with Franchisee, Franchisee shall reimburse to the other franchisee the then-current training fee of Franchisor.

13.14 ADA Certification

At its sole expense, Franchisee shall furnish evidence satisfactory to Franchisor that the Franchised Business Office (if not the Franchisee's home office) is designed, constructed, and altered in compliance, at all times, with the requirements of the Americans With Disabilities Act of 1990, (as amended by the ADA Amendments Act of 2008) the regulations now or hereafter adopted pursuant thereto, and any and all applicable state or local laws, statutes, ordinances, rules and regulations concerning public accommodations for disabled persons now or hereafter in effect. Franchisee shall indemnify, defend, and hold harmless the Franchisor from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, reasonable attorney's fees and disbursements) arising from Franchisee's failure to comply with this obligation.

13.15 Legal Compliance

In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and orders. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the term of this Agreement. Failure to comply with applicable federal, state, and local laws, rules, regulations, ordinances, and orders is a material breach of this Agreement and Franchisor reserves the right to terminate this Agreement immediately for cause and without an opportunity to cure.

13.16. Non-Compliance; Quality Assurance Inspections; Mystery Shops.

Franchisor shall conduct periodic checks to determine whether Franchisee is in compliance with the System (either by conducting mystery shops using a third-party, or internally through its routine inspections), and shall have the right to assess a non-compliance fee ("**Non-Compliance Fee**") against the Franchisee for any infractions. An "infraction" means a failure to follow our System or Standards as set out in our operations manual, or the terms of the Franchise Agreement. The Non-Compliance Fee is $750 per infraction plus Franchisor's costs associated with the infraction, and is due upon Franchisor's demand.

Franchisor shall have the right to enter the Franchised Business Office during regular business hours for purposes of conducting quality assurance audits, including instituting a mystery shopper program, to assess customer satisfaction. Franchisor plans to provide 10 days' notice that such inspection or mystery shop may occur during that time frame. During these inspections, Franchisor may obtain for testing purposes and without charge, reasonable information regarding services performed, including customer contact information. Such quality assurance audits and mystery shops may be conducted by Franchisor personnel, and Franchisor reserves the right to charge $300 per quality assurance inspection if performed

by the Franchisor, or actual costs of a mystery shop plus Franchisor's reasonable administrative expenses, up to $300, associated with the same. At Franchisor's request, you shall engage one or more third party service providers, which may be designated by Franchisor, to provide periodic quality assurance audits and/or mystery shops at your sole cost and expense.

13.17. Data Security and Privacy

Franchisee must comply with all applicable federal, state and local laws, rules, and regulations regarding data security, protection, and privacy, including, without limitation and if applicable, the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, et seq. Franchisee must comply with any privacy policies, data protection polices, and breach response policies that Franchisor periodically may establish. Franchisee must notify Franchisor immediately regarding any actual or suspected data breach at or in connection with the Franchised Business. Further, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA or in a similar capacity under any other applicable federal, state, or local privacy law, Franchisee represents, warrants, and covenants that:

(a) Franchisee will not sell, make available or otherwise disclose any customer's "Personal Information" (as defined in the CCPA) to any third party for valuable consideration;

(b) Franchisee will retain, use, or disclose Personal Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement;

(c) Franchisee will not retain, use, or disclose Personal Information outside of the direct business relationship between Franchisee and Franchisor;

(d) Franchisee will delete any Personal Information upon Franchisor's request unless Franchisee can prove that such request is subject to an exception under applicable law; and

(e) Franchisee certifies that it understands and will fully comply with the restrictions of this section. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other federal, state, or local privacy laws.

13.18. Customer List

Franchisee agrees that the list of the names, addresses and other information regarding Franchisee's current clients, former clients, and those who have inquired about the Services (the "Customer List") shall be included in the Confidential Information, shall be the property of Franchisor, and shall constitute a trade secret of Franchisor. Franchisee agrees that Franchisee may not disclose the Customer List, or any portion thereof, to any person other than the Franchisor, either during the term of this Agreement or thereafter, and may not use the Customer List for any purpose outside the operation of the Franchised Business.

13.19. Business and Customer Data

In this Section "Customer Data" means Personal Information, sales and payment history, and all other information about any person or entity the Franchised Business has serviced, wherever stored, including data regarding customers of businesses converted as a Franchised Business, and any other information that, by itself or in conjunction with other information, may be used to specifically identify an individual, such as name, physical address, telephone number, e-mail address, social media account, billing and payment history, customer service requests, and any other Information as defined in applicable law, and "Business Data" means all financial reports, vendor and supplier pricing data, and all other data about the Franchised Business other than Customer Data. Franchisee acknowledges and agrees that:

(a) Franchisor has the right to independently access all Business Data, wherever maintained. Franchisor also has the right to require Franchisees to deliver Business Data to Franchisor. Franchisor has the right to use (and to authorize others to access and use) Business Data to, among other

uses: (i) verify sales, (ii) monitor progress of its franchisee; (iii) prepare a financial performance representation for Franchisor's Franchise Disclosure Document; and (iv) share vendor and supplier pricing data with its affiliates.

(b) Franchisor owns and has the right to access all Customer Data, in whatever form existing, and wherever stored. Because we own the Customer Data, including Personal information, we can share it with our affiliates, service providers, contracted third parties, or any other person, for any purpose, without notifying or compensating you, both during and after this Agreement, including for the performance of services the Franchisor or its parents or affiliates, as well as for marketing and cross-selling products and services of any of the foregoing parties. Whenever we request, and without request upon termination or expiration of this Agreement, you are required to promptly deliver to Franchisor all Customer data in your possession or control, without retaining any of Customer Data in any media. You may not sell or disclose to anyone else any Personal Information or aggregated or non-aggregated Customer Data without first obtaining our written consent. In the event of an approved sale of the Franchised Business to a new owner who will continue to operate the Franchised Business under an agreement with us, you may not transfer the Customer Data to the new owner. You agree to install and maintain the security measures and devices necessary to protect Customer Data from unauthorized access or disclosure, including (but not limited to) the minimum measures pursuant to Section 13.17.

13.20. Compliance with Brand Standards

In order to protect the reputation and goodwill of Franchisor's brands and to maintain high standards of operation under the System, you agree to comply strictly with all of our required brand Standards. You acknowledge that the Standards may relate to any aspect of the appearance, operation, and marketing of the Franchised Business. Any material failure to comply with the required Standards or to pass our inspection will constitute a material breach of this Agreement. However, you acknowledge that we have the right to vary our standards and specifications to accommodate the individual circumstances of different franchisees. Franchisor's specifications do not constitute a warranty or representation, express or implied, as to quality, safety, suitability, fitness for a particular purpose or any manner. We will not be liable to you or others on account of the designation of Standards for the operation of the Franchised Business under the System.

13.21. Technology Disruptions

Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting the Franchised Business from computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisee must follow all federal, state, and local law regarding protecting consumer information, and protocols in the event of a breach of your security systems.

13.22 Criminal Background Checks

Franchisee must register for and utilize our third-party vendor, The Seal, to screen all current and potential employees on an annual basis. Franchisee will be subject to our then-current monthly fee for this service. Franchisee will be required to furnish proof of the outcome of these background checks upon Franchisor's request. Failure to obtain any background check will result in default of your franchise agreement and a monetary fine of $100 per day until the default is cured. If this is the first year of your Wise Coatings business, Franchisee is required to furnish proof of all criminal background checks for all employees thirty (30) days prior to opening.

13.23 Customer Complaints

Franchisee agrees to promptly address all complaints in accordance with the procedures contained in the Operations Manual or as otherwise provided by the Franchisor. If Franchisee is unable or unwilling to resolve a customer complaint within forty-eight (48) hours, and it becomes necessary for Franchisor to reimburse a customer in settlement of their complaint about work performed at or by your Franchised Business, you agree to promptly reimburse us for amounts expended on account of any such complaint. Franchisee obligations and liabilities under this Section shall survive any termination or expiration of this Agreement.

13.24 De-Identification

Upon expiration, non-renewal or termination of your Franchise Agreement for any reason, it is Franchisee's responsibility to de-identify the office, store, vans and other items promptly. This may include but is not limited to removing all signage, advertising materials, trade dress, displays, proprietary equipment, service vehicle wraps, and Proprietary Products, and any other items which display the Marks or reflect Wise Coating's trade dress.

13.25 Inventory and Equipment Package

Franchisee shall pay our affiliate PolyWise a minimum of $20,500 for the required initial inventory package and $30,840 for your initial equipment package, exclusive of shipping charges. You may, at your own discretion, choose to purchase more inventory prior to opening, which includes certain materials for use in the operation of the Franchised Business. Initial inventory includes, but is not limited to, approximately one months' supply of proprietary coating inventory such as epoxy, polyaspartic, flake, and crack repair materials and chemicals. The required equipment includes: large grinder and bits for grinder, hand grinder and bits for the hand grinder, and two large industrial vacuums. The initial inventory and initial equipment fee is fully earned upon receipt and is not refundable.

13.26 Call Center

Franchisor may require or prohibit forwarding calls to mobile phones in addition to any other remedies available to us under this Agreement, including default and termination. We also have the right to require you to use a designated call center for the Brand (the "Call Center") for incoming calls. Call Center services are billed on a per minute basis, and Franchisee will be charged from such Approved Supplier; however, If we obtain Call Center services on your behalf, we reserve the right to charge you our actual cost incurred plus a reasonable administrative charges in obtaining these services ("Call Center Fee"). These amounts will be due as they are incurred pursuant to the Approved Suppliers billing terms. Franchisor reserves the right to charge Call Center Fee, and to change the timing and method of payment of the fee. We also reserve the right to terminate Franchisee access to the Call Center or to cancel the Call Center program in its entirety. Franchisor will provide you with at least thirty (30) days' notice prior to terminating the Call Center, modifying the Call Center Fee, or changing the timing of payment.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1. General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee during normal business hours by telephone, e-mail, newsletters, and other methods. Franchisor shall not charge for this service; however, Franchisor retains the right to refuse or charge a fee for this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for products and services that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating WISE COATINGS Businesses and an analysis of costs and prices charged for competitive products and services. Franchisee shall have the sole right to determine the prices to be charged by the Franchised Business; provided, however, that Franchisor shall have the sole

right to determine the prices to be charged for products sold through the WISE COATINGS Internet site, including products sold to persons identified as customers of the Franchised Business.

14.2. Inspections

A representative of our may make visits to your Franchised Business, including visiting your jobsite(s), to ensure compliance with all required standards, specifications and procedures. Our representative shall be allowed to inspect the condition and operation of your Franchised Business and all areas of your Franchised Business and job site(s) at any time. Such inspections may include without limitations, conducting any type of audit or review necessary to evaluate your compliance with all required payments, standards, specifications or procedures. We may from time to time, make suggestions and give mandatory instructions with respect to your operation of your Franchised Business, as we consider necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System. You expressly agree that these visits will not imply that you are in compliance with your obligations under this Agreement or under the law or that we waive our right to require strict compliance with the terms of this agreement or the Manual. Furthermore, such visits will not create any responsibility or liability in our part. If you request that we make additional visits to your Franchised Business, you will pay the fees we establish for such visits. You will also allow us to visit your Franchised Business with prospective franchisees during your business hours.

15. INSURANCE

15.1. Types and Amounts of Coverage

At its sole expense, Franchisee shall procure within sixty days of the Effective Date, and maintain in full force and effect during the term of this Agreement, insurance as required by state law and as we specify below. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured – grantor of franchise and loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

15.1.1. "All risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

15.1.2. Workers' compensation insurance with coverage limits of $1,000,000 for bodily injury by disease per accident, $1,000,000 policy limit, and $1,000,000 per employee. The policy must be in place regardless of state laws and cannot exclude owner-operators. It must also include uninsured independent contractors and a waiver of subrogation;

15.1.3. Comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence; and an aggregate limit of $2,000,000 general and products/completed operations aggregate, $1,000,000 personal/advertising injury, $50,000 rented premises damage, and $5,000 medical expenses. General liability must be primary and non-contributory with any other insurance, contractual and independent contractors liability, and be occurrence-based and general liability waiver of subrogation in favor of Franchisor must be included, and blanket form is also acceptable;

15.1.4. Automobile liability insurance with a $500,000 combined single limit, covering uninsured/underinsured motorists, owned, hired, and non-owned autos. Policies must include additional insured, waiver of subrogation, and primary/non-contributory provisions;

15.1.5. Contractors E&O (Professional Liability) with a $50,000 occurrence and aggregate. This coverage may be combined with the General Liability insurance or placed separately;

15.1.6. Contractors Pollution Liability with a $1,000,000 occurrence and $1,000,000 aggregate required for franchisees domiciled in California. This coverage may be combined with the General Liability

insurance or placed separately;

15.1.7. Property insurance with coverage for business personal property (full replacement cost value), equipment (≥ $35,000 full replacement cost value), business interruption (12 Months ALS or ≥$100,000), including franchisor royalties; and

15.1.8 Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.3.

The following are recommended coverages:

15.1.9 Umbrella Insurance with $1,000,000 per occurrence and $1,000,000 aggregate, providing excess coverage over General Liability. Policies must be from an A- VII or higher AM Best-rated carrier

15.1.10 Employment Practices Liability Insurance with minimum coverage limits of $250,000 per occurrence and $250,000 aggregate. The policy should include 3rd party liability and wage & hour coverage of at least $25,000. The maximum deductible should not exceed $10,000.

15.1.11 Crime insurance with the minimum coverage limits of $100,000 each claim, including third party coverage on a loss discovered form.

Franchisee acknowledges that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect Franchisee from losses in connection with your outlet. Nothing in this Agreement prevents or restricts Franchisee from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires. Franchisor reserves the right to require Franchisee to obtain insurance policies to protect against cybersecurity threats.

15.2. Future Increases

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

15.3. Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A-VII" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide.

15.4. Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.3. Franchisee shall provide to Franchisor proof of the endorsements along with insurance certificates and/or other proof of coverage to Franchisor requires. Upon issuance of a policy and renewal of said policy, Franchisee shall provide to Franchisor, certificates of insurance showing compliance with the foregoing requirements within fifteen days of Franchisee's receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums.

15.5. Failure to Maintain Coverage / Insurance Reimbursement

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

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

16. DEFAULT AND TERMINATION

16.1. Automatic Termination

The Franchise Agreement will terminate automatically, without notice, if Franchisee becomes insolvent (meaning unable to pay bills in the ordinary course of business as they become due); if a receiver of Franchisee's property or any part thereof is appointed by a court; if Franchisee makes a general assignment for the benefit of its creditors; if a final judgment against Franchisee remains unsatisfied of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; or if a suit to foreclose any lien or mortgage against Franchisee's Franchised Business Office or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed.

16.2. Termination by Franchisor

16.2.1. The following constitute incurable defaults under the Franchise Agreement. If any of the following occur, Franchisor shall have the right to terminate this Agreement, without providing Franchisee an opportunity to cure. Termination shall be effective upon delivery of notice of termination.

16.2.1.1. Franchisee fails to maintain all required professional licenses, permits and certifications for a period exceeding five (5) business days;

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

16.2.1.3. Franchisee is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business, or noncompliance with any federal, state, or local law pursuant to its obligations under Section 13.15;

16.2.1.4. Franchisee, after notice to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business;

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

16.2.1.6. If required by Franchisor, Franchisee fails to have any holder of a legal or in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Attachment 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by Franchisor;

16.2.1.7. Franchisee abandons, fails or refuses to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor);

16.2.1.8. Franchisee surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required;

16.2.1.9. Franchisee fails to maintain the Franchised Business under the primary supervision of an approved and trained Designated Manager during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee

pursuant to Section 18.6;

16.2.1.10. Franchisee submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than three percent (3%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

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

16.2.1.12. Franchisee fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fee, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

16.2.1.13. Franchisee violates on two (2) or more occasions any health or safety law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees or the public;

16.2.1.14. Franchisee fails to comply with any provision of this Agreement two or more times in a twelve-month period, whether or not subsequently cured; or failure on 2 or more separate noticed occasions to comply with the same obligation, whether or not those failures to comply are subsequently corrected; or

16.2.1.15. Franchisee defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

16.2.2. The following constitute curable defaults under the Franchise Agreement. If any of the following occur, Franchisor shall have the right to terminate this Agreement, if you fail to cure during the requisite cure period after receiving notice. Termination shall be effective upon delivery of notice of termination.

16.2.2.1. Franchisee fails to timely establish, equip and commence operations of the Franchised Business pursuant to Section 5;

16.2.2.2. Franchisee fails to have its Principals satisfactorily complete any training program pursuant to Section 8;

16.2.2.3. Franchisee engages in any activity exclusively reserved to Franchisor, and fails to cure such offending activity within five (5) days after delivery of written notice;

16.2.2.4. Franchisee fails to comply with any applicable law or regulation, and fails to cure such failure within ten (10) days after delivery of written notice;

16.2.2.5. Franchisee fails to pay any amounts due under this Agreement, and fails to cure such default within five (5) days after delivery of written notice default;

16.2.2.6. Franchisee fails to procure or maintain insurance as specified in Section 15 of this Agreement, and fails to cure such default within ten (10) days after delivery of written notice of default; or

16.2.2.7. Franchisee materially breaches any other provision of this Agreement, and fails to cure such default within thirty (30) days after delivery of written notice of default.

16.2.2.8 Franchisee fails to achieve a minimum Gross Revenue of Three Hundred Sixty Thousand Dollars ($360,000) during the first 12 months of operation, and $504,000 starting in month 13 through month 36 and $720,000 beginning month 37 and thereafter, calculated on an annual, rolling basis during the Term ("Minimum Sales Volume");

16.2.2.9 Franchisee fails to refrain from activities, behavior, or conduct likely to adversely affect the reputation of the Franchisor, franchisee, or the franchised business system after the applicable cure period has expired.

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

16.3. Termination by Franchisee

If Franchisee is in full compliance with all of the terms of this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within thirty (30) days after receiving written notice identifying the claimed breach, Franchisee may elect to terminate this Agreement unless the breach cannot reasonably be cured within such thirty (30) days. If the breach cannot reasonably be cured in such thirty (30) days, Franchisee may elect to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts. Closing the Franchised Business without cause or without notice to Franchisor of a default and a reasonable cure period as outlined in this Section 16.3, shall constitute a full and complete waiver of all claims against Franchisor.

16.4. Pre-Termination Rights

16.4.1. Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates or fail to comply with any term of this Agreement, then in addition to any right we may have to terminate this Agreement or to bring a claim for damages, we will have the right to take the actions set out below and continue them until you have cured the default to our satisfaction. The taking of any of the actions permitted in this Section 16.4 will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement. We may:

(a) Remove the listing of the Franchised Business from all advertising published or approved by us, including but not limited to online directories, forums, social media, and indexing websites;

(b) Prohibit you from attending any meetings or seminars held or sponsored by us or taking place on our premises;

(c) Suspend access to the call center, the franchisee portal, and any technology systems we provide to you; and/or

(d) Suspend services provided to you by us or our affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, and the sale of products and supplies.

(e) If you are in default under this Agreement, at our direction and without waiver of any of our rights under this Agreement, in lieu of termination of this Agreement, we may impose a fee ("Default Fee") in an amount of $1,500 plus the cost of reinspection and the cost of enforcing compliance. You must pay the default fee within 3 days of our demand.

(f) Suspend all services we or our affiliates provide to you under this Agreement or otherwise and/or

(g) Contact your landlord, lenders, and suppliers, regarding the status of your operations, and provide copies of any default or other notices to your landlords, lenders and suppliers.

(h) In addition, if you notify us that you are closing your Franchised Business or otherwise communicate to others that you are closing your Franchised Business, you agree that your billing processor may withhold up to one-half (1/2) of monies that would otherwise be payable to you to cover any post termination obligations you may have.

(i) Franchisor may also contact suppliers and obtain information about Franchisee purchases and the status of Franchisee's account. Upon termination or expiration, Franchisor can stop access to our proprietary products from any supplier or distributor.

Our actions as outlined in Section 16.4 may continue until you have brought your accounts current, cured any default and complied with our requirements, and we have acknowledged the same in writing. The taking of any of the actions permitted in this section will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise.

16.5 Step In Rights.

To prevent any interruption of the Franchised Business, you hereby authorize Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Franchised Business on your behalf for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement, in the event that: **(a)** your Owner or Principals is absent or incapacitated by reason of illness, death or disability and, therefore, in Franchisor's sole determination, you are not able to operate the Franchised Business in full compliance with this Agreement, **(b)** any allegation or claim is made against your or any of your principals, or the operation of the Franchised Business, involving or relating to fraudulent, deceptive or illegal practices or activities, and/or **(c)** due to your failure to operate in accordance with our System. If Franchisor undertakes to operate the Franchised Business pursuant to this Section 16.5, Franchisor shall have the right to collect and pay from the revenues of the Franchised Business all operating expenses including, without limitation, Royalty Fees, Marketing Fees, and employee salaries, and further shall be entitled to collect, as compensation for its efforts, a reasonable management fee not to exceed $300 per day, plus out-of-pocket expenses, travel, food, and lodging expenses for Franchisor's personnel (collectively, "**Management Fee**"). If the Management Fee has not been collected from the revenues of the Franchised Business, the Management Fee shall be payable to Franchisor within seven days of invoice. You shall indemnify and hold harmless Franchisor from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1. Actions to be Taken

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

17.1.1. Immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

17.1.2. Cease to use the Trade Secrets or other Confidential Information, the System and the Marks including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks, and Franchisee will immediately return the Customer List to Franchisor, and shall not thereafter use the Customer List or contact such customers for any reason;

17.1.3. Take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "WISE COATINGS" or any other Mark, and Franchisee shall furnish Franchisor with

evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.4. Pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees, and any other amounts due to Franchisor or any Affiliate;

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

17.1.6. Immediately return to Franchisor the Confidential Operations Manual, Trade Secrets and all other Confidential Information including records, files, instructions, brochures, agreements, referral contact list, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property) in the manner and method to which Franchisor has prescribed;

17.1.7. Assign all of Franchisee's email addresses, any websites, and telephone listings and numbers for the Franchised Business to Franchisor and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers associated with the Marks and shall authorize transfer of same to or at the direction of Franchisor; and

17.1.8. Comply with all other applicable provisions of this Agreement.

17.2. Restrictive Covenants

17.2.1. Franchisee acknowledges that the restrictive covenants contained in this Section 17 and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

To protect the Trade Secrets, Goodwill, and Confidential Information of Franchisor;

To induce Franchisor to grant a Franchise to Franchisee;

To protect Franchisor's contractual relationships with other franchisees; and

To protect Franchisor against its costs in training and supporting Franchisee and its officers, directors, executives, and professional staff;

To protect Franchisor's benefit of the bargain, expected profits, and long-term revenue stream to which it is justly entitled.

17.2.2. Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager, or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity:

17.2.2.1. **(a)** own an interest in, manage, or operate any Competitive Business in the former Territory, within fifty (50) miles from the perimeter of the former Territory, or within fifty (50) miles from the perimeter of any other WISE COATINGS business; or **(b)** perform Competitive Services in the former Territory, within twenty-five (25) miles from the perimeter of the former Territory, or within twenty-five (25) miles from the perimeter of any other WISE COATINGS business or territory;

17.2.2.2. Solicit or otherwise attempt to induce or influence any customer or other business associate of Franchisor and or WISE COATINGS franchisees to terminate or modify the customer or business associate's business relationship with WISE COATINGS or to compete against Franchisor; or

17.2.3 In furtherance of this Section 17, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Attachment 2.

17.2.4 The two-year period shall be tolled during any event of non-compliance.

17.2.5 You acknowledge that Franchisee and Guarantors have sufficient experience and knowledge to obtain employment or otherwise financially support yourself without violating the covenants in Section 17.

17.3. Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section 17 is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 7, 17.1, or 17.2. Franchisee shall make such modifications or alterations to the Franchised Business Office (including changing telephone) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Franchised Business Office. Franchisee shall make such specific additional changes to the Franchised Business Office as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section 17, Franchisor has the right to enter upon the Franchised Business Office for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4. Franchisor's Option to Purchase Certain Business Assets

Franchisor shall, within thirty (30) days following the expiration or termination of this Agreement for any reason (other than for renewal of the Franchise), have the option, at our sole judgment, to purchase all or any portion of the assets of the Franchised Business and any other materials, equipment or supplies bearing our Marks, and to have Franchisee assign and transfer the Business lease for the premises and/or vehicle lease to the Franchisor. Our purchase price for the portion of your inventory or supplies purchased directly from us or any of our affiliates shall be at your cost. Our purchase price for the remaining inventory, equipment, parts, fixtures and furnishings utilized by Franchisee in the operation of the Business shall be the fair wholesale market value thereof. In addition, Franchisor shall be permitted to deduct and withdraw from the purchase price to be paid to Franchisee for any such items, all sums due and owed to Franchisor. In determining the fair market value of such items, the parties shall exclude any factor or increment for goodwill or going-concern value. Except as provided below, the purchase price will be paid in cash at the closing of any such purchase which will occur no less than thirty (30) days from the date of exercise of the option. If the parties are unable to reach agreement as to the fair market value of the assets of the Business to be purchased by us, the parties hereby agree to appoint an independent appraiser to make such determination, whose determination will be binding upon the parties. The fees and expenses of such appraisal shall be paid in equal proportions by the parties. If you do not object to the proposed appraiser within twenty (20) days after our notice, such appraiser will be deemed approved by both parties.

17.5. Survival of Certain Provisions

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

17.6 Enforcement of Covenants

Franchisee acknowledges and agrees that (i) this section is reasonable because it promotes and protects the subject matter of this Agreement and/or the underlying relationship and/or deters any potential conflict of interest; (ii) the time, territory, and scope of the covenants provide in this Section are reasonable and necessary for the protection of our legitimate business interests; (iii) Franchisee has received sufficient and valid consideration in exchange for those covenants; (iv) enforcement of the same would not impose undue hardship because Franchisee has sufficient professional skills; and (v) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section is judicially determined to be unenforceable by virtue of its scope or in terms of area, restricted activity or length of time, but may be made enforceable by reductions of any or all thereof, the same will be so modified and enforced to the fullest extent permissible. Franchisee agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section. Franchisee acknowledges that any breach or threatened breach of this Section will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee consents to the issuance of a temporary or permanent injunction prohibiting any conduct violating the terms of this Section. Such injunctive relief will be in addition to any other remedies or claims for damages that we may have.

17.7 Disputed Enforceability

The parties have attempted in the above Section to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the above provision is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify this Section to the extent it deems necessary to make supervision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of said provision with Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

17.8 Liquidated Damages

If, prior to the Expiration Date, Franchisee terminates this Agreement without good cause, or if Franchisor terminates this Agreement on account of Franchisee's material default hereof, the parties acknowledge and agree that Franchisor will suffer damages for the loss of the benefit bargained for in this Agreement and irreparable damage to the integrity of the franchise system. As compensation for these damages, Franchisor shall be entitled to collect from Franchisee, in addition to all other amounts due Franchisor (including, without limitation, any outstanding fees, including but not limited to Royalty Fees and Marketing Fees), liquidated damages calculated as an amount equal to the greater of (1) a termination fee of $50,000; or (2) an amount calculated as (a) the product of Franchisee's average Royalty Fees and Marketing Fees (combined) due to be paid during the immediately preceding twelve month period, (beginning with the last full month of operation) multiplied by the lesser of (i) twenty-four months, or (ii) the number of full months remaining in the franchise term. For purposes of this calculation, "Average Royalty Fee and Marketing Fee" means total Royalty Fees and Marketing Fees for the twelve-month period immediately preceding termination, divided by twelve. If the Franchised Business has been operating for

less than twelve months at the time of termination, "Average Royalty Fee and Marketing Fee" means total Royalty Fee and Marketing Fee for the period in operation divided by the number of months in operation.

Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Agreement by premature closure, abandonment, or termination due to violation of this Agreement, proof of actual damages would be difficult and that the formula for calculating liquidated damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty; Franchisor has an expectation that Franchisee's franchised business will be open and operating for the full Term of the Agreement. An early closure reduces Franchisor's revenue and damages our image to the public. Calculating the value and expense of this injury is difficult to determine and may be hard to calculate with specificity, but the parties acknowledge the injury. Therefore, the parties have elected to agree in advance to calculation of liquidated damages to compensate Franchisor for its damages and to provide certainty to Franchisee of the amounts due.

18. TRANSFERABILITY OF INTEREST

18.1. Transfer by Franchisor

Franchisor may sell, assign, or transfer its rights and obligations under this Agreement to any party, without Franchisee's approval or prior notice to Franchisee, provided that the buyer, assignee or transferee agrees in writing to assume all of Franchisor's obligations under this Agreement. Franchisor and its affiliates or indemnified parties will not be liable for obligations of the transferee arising after the date of transfer.

18.2. Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense, or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the assets of the Franchised Business or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1. Franchisee has complied with the requirements set forth in Section 19;

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

18.2.3. Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

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

18.2.5. The transferee and, if Franchisor requires, all persons owning any interest in the transferee,

have executed the form of franchise agreement then being offered to new franchisees, which may be substantially different from this Agreement, and may include a different Royalty Fee, Marketing Fee, and other material provisions; the initial term of the franchise agreement shall be the initial term provided for in the then-current franchise agreement, and all renewal terms shall be governed by the then-current franchise agreement, and the Territory shall be the same as the Territory granted pursuant to this Agreement;

18.2.6. The transferee has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees, and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee; however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

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

18.2.8. Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount stated in the Summary Page;

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

18.2.10. Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17;

18.2.11. The transferee agrees that itshall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business; and

18.2.12. In the event of a transfer among a single Franchisee entity or group of purchasers comprising a single Franchisee, Franchisor reserves the right for the continuing Franchisee or owners to sign a new Franchise Agreement.

18.3. Transfer to a Controlled Entity

18.3.1. If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1. The Controlled Entity is newly organized and its charter or articles of formation provides that its activities are confined exclusively to the operation of the Franchised Business;

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

18.3.1.3. All obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2.8;

18.3.1.4. The Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required,

Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

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

18.3.1.6. Each share certificate (or other certificate reflecting an ownership interest) shall have conspicuously endorsed on it a statement, in a form satisfactory to Franchisor, that the certificate is held subject to the transfer restrictions contained in the Franchise Agreement; and

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

18.3.2. The term of the transferred franchise is ten (10) years, with an option for an additional 10-year term, subject to any and all conditions applicable to such renewal rights.

18.3.3. Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4. Franchisor's Disclosure to Transferee

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

18.5. For-Sale Advertising

Franchisee shall NOT, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6. Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such one hundred eighty (180) day period, the Franchised Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

18.7 Renovations

If this Franchise Agreement is signed as part of the transfer of an existing franchise or renewal of an existing franchise, then the construction, modification, or an upgrade required under this Agreement

shall be the renovation, upgrade, or modification of your Franchised Business in accordance with the provisions of the predecessor franchise agreement. Such modification may include a new vehicle, new wrap and/or new equipment. If, in our sole discretion, we allow you to complete such upgrade after signing this Agreement, the upgrade must be completed in accordance with the provisions of this Agreement by the date set forth in the agreement.

(a) Franchisee will make no changes to any building, plan, design, layout or décor, or any equipment or signage in your Franchise business without Franchisor prior written consent, and such changes may not be contrary to Franchisor's Mandatory Specifications.

(b) Signs: Franchisee will prominently display, at Franchisee expense, both on the interior and exterior of your Franchised Business premises, signs in such form, color, number, location and size, and containing such Marks as Franchisor designates. Franchisor also may require you to use illuminated signs. Franchisee will obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with laws and ordinances. Franchisee will not display in or upon your Franchised Business premises any sign or advertising of any kind to which Franchisor objects. Franchisor reserves the right to require Franchisee to update signage at any time at your expense

(c) Services: Franchisee will conform to all quality and customer services standards prescribed by Franchisor in writing.

19. RIGHT OF FIRST REFUSAL

19.1. Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 18.6) the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

19.2. Franchisor's Right to Purchase

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

19.3. Non-Exercise of Right of First Refusal

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

19.4. Sales or Transfers to Family Excepted

If Franchisee, or any of its owners, proposes to sell or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Section 19 shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve Franchisee from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section 19.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Attachment 4 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1. Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Business operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2. Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation. Franchisor is not obligated to treat all franchisees the same and may consider the general benefits a decision may have on the franchise system or other outside factors such as the size, location, weather conditions, experience level of another franchisee(s) when making decisions.

21.3. Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnities") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's **(a)** ownership or operation of

the Franchised Business; **(b)** violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; **(c)** breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); **(d)** defamation of Franchisor or the System; or **(e)** infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. Franchisee's indemnification obligations shall not apply to the extent that the damages are caused by Franchisor's negligence or breach of this Agreement. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement.

21.4. Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section 21 causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee. Franchise agrees to not be a party to class action suit against WISE COATINGS under any circumstances.

21.5. No Liability for Others' Products or Acts

We disclaim all express and implied warranties and all other liability concerning any defects, malfunctions, or other deficiencies in equipment or other products manufactured by anyone other than us or our affiliates, or such parties' acts or omissions. You agree not to make any claims against us or our affiliates with respect to products that we and our affiliates did not manufacture, even if we or our affiliates sold you the product or designated or approved its source. You are required to assert any claims only against the manufacturer of the product, even if you obtained it through us or our affiliate.

21.6. No Liability for Acts of the Other Party

We and you may not make any impress or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship with you is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising from your operation of the business you conduct under this Agreement.

22. GENERAL CONDITIONS AND PROVISIONS

22.1. No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any

preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2. Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) from any court of competent jurisdiction or the American Arbitration Association ("**AAA**") against any such breach, whether actual or contemplated, without the necessity of posting security or bond and Franchisee shall be responsible for Franchisor's reasonable attorneys' fees incurred in pursuing the same. Franchisor's right to seek injunctive relief will not affect the parties' waiver of jury trial and covenant to mediate and arbitrate all disputes in accordance with Sections 23.7. and 23.8. Franchisor's rights herein shall include pursuing injunctive relief in any court of competent jurisdiction.

22.3. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: **(a)** at the time delivered by hand to the recipient party (or to an officer, director, or partner of the recipient party); **(b)** on the next business day after transmission by e-mail or other reasonably reliable electronic communication system; **(c)** two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section 22.3. All notices, payments, and reports required by this Agreement shall be sent to Franchisor at the following address:

Wise Coatings Franchises LLC
Attn: Whitney White
108 Commerce Street, Suite 105
Lake Mary, Florida 32746

22.4. Cost of Enforcement or Defense

If either party is required to enforce this Agreement in a judicial proceeding, the substantially prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, travel costs, expert witness fees, filing fees, and other litigation costs.

22.5. Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Attachment 3, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6. Approvals

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

22.7. Entire Agreement

This Agreement, including its exhibits, constitutes the entire, complete, and fully integrated agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersedes all

prior representations, promises, and agreements. No amendment, change or variance from this Agreement shall be binding on either party unless memorialized in a writing executed by both parties. Nothing in this or any related agreement, however, is intended to disclaim any representations we made in the franchise disclosure document that we furnished to you.

22.8. Severability

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

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

22.9. Construction

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

22.10. Force Majeure

No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure, which shall be defined as those significant events outside the party's control, including but not limited to Acts of God, fire, flood, or other natural forces, war, acts of terrorism, civil unrest, government actions or regulations, national pandemic, or any other event similar to those enumerated above. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the Party has not caused such event(s) to occur and continues to use diligent, good faith efforts to avoid the effects of such event and to perform the obligation. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement, as applicable, as soon as reasonably practicable; and (c) otherwise continue performing its obligations hereunder. In the event of any such delay, this Agreement shall be extended for a period equal to the time lost by reason of the delay, but not to exceed 12 months. If, however, either party is unable to perform its obligations under this Agreement for reasons excused by this provision for a period in excess of 12 consecutive months (or otherwise agreed to in writing by both parties), the parties may terminate this Agreement without penalty after thirty (30) days written notice to the other party. This clause shall not result in an extension of the term of this Agreement. This Force Majeure provision is not applicable to mediation, arbitration, or Franchisee's obligation to pay money.

22.11. Timing

Time is of the essence with respect to all provisions in this Agreement. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12. Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13. Further Assurances

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

22.14. Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

22.16. The Exercise of Our Business Judgement

Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the full right and privilege, as we deem best according to our business judgment, to vary Brand Standards or other aspects of the franchise system for any franchisee. You have no right to require us to grant you a similar variation or accommodation. We have the right to develop, operate, and change the franchise system in any manner this Agreement does not specifically prohibit. Whenever this Agreement reserves our right to take or withhold an action, or to grant or decline to grant you the right to take or omit an action, we may, except as this Agreement specifically provides, make our decision or exercise our rights based on information then available to us and our judgment of what is best for us, WISE COATINGS franchisees generally, or the franchise system when we make our decision, whether or not we could have made other reasonable or even arguably preferable alternative decisions and whether or not our decision promotes our financial or other individual interest.

22.17. No Affiliate Liability

You acknowledge and agree that none of our past, present, or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, parents, affiliates, controlling parties, entities under common control, ownership, or management, vendors, service providers, agents, attorneys, or representatives will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against us based on, in respect of, or by reason of the relationship between you and us, or (iii) any claim against us based on any of our alleged unlawful acts or omissions.

22.18. Operation after Expiration of Term

If you do not enter into an agreement for a successor term (pursuant to Section 4.2) prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the sole option of Franchisor, this Agreement may be treated as (i) expired as of the

date of expiration of the Agreement then operating without a license to do so, in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one (1) party provides the other with written notice of such party's intent to terminate the Interim Period, in which case, the Interim Period will terminate thirty (30) days after the other party's receipt of the notice to terminate the Interim Period or, if your jurisdiction requires a termination notice period longer than thirty (30) days, the period will be the minimum notice period required by the laws of such jurisdiction. In the latter case, your obligations under the Agreement shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of the Agreement shall take effect upon termination of the Interim Period.

23. DISPUTE RESOLUTION

23.1. Choice of Law

Except to the extent this Agreement or any particular dispute is governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflict of laws principles).

23.2. Consent to Jurisdiction

Any action brought by either party against the other, except those claims subject to being resolved by mediation, shall only be brought and maintained exclusively in the state courts situated in the judicial district Plano, Texas or in which Franchisor maintains its principal business address at the time the action is commenced, currently Lake Mary, Florida. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Notwithstanding the foregoing, claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction.

23.3. Cumulative Rights and Remedies

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

23.4. Limitations of Claims

To the extent permitted by law, with respect to any claim which arises out of or relates to this agreement or the dealings of the parties ("Claim"), such Claim must be brought within two (2) years and one day after the cause of action accrues.

In addition, to the extent permitted by law, Franchisee agrees to bring no Claim until meeting personally with Franchisor's Chief Executive Officer or other such person we designate in Seminole County, Florida to conduct settlement negotiations in person. Both parties agree to reasonably cooperate to schedule any requested settlement conference within thirty (30) days of request.

23.5. Limitation of Damages

Franchisee waives, to the extent permitted by law, any claim for consequential, punitive or exemplary damages against the Franchisor in any Claim. Further, in any Claim, Franchisee agrees, to the extent permitted by law, that its maximum damages recoverable by Franchisee for any claims whether arising under contract or tort law shall be limited to a refund of Franchisee's Franchise Fee and Royalty Fees paid to Franchisor within the past 18-month period.

23.6. Waiver of Jury Trial and Punitive Damages

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER. EACH PARTY ALSO WAIVES THE RIGHT TO SEEK OR RECOVER PUNITIVE DAMAGES IN ANY SUCH ACTION.

23.7. Mediation

23.7.1 The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, WISE COATINGS, you, and each Owner agree to submit to mediation any claim, controversy, or dispute between WISE COATINGS or its Affiliates (and WISE COATINGS' and its Affiliate's respective owners, officers, directors, agents, representatives, and/or employees) and you or your Affiliates (and your Owners, agents, representatives, and/or employees) arising out of or related to **(a)** this Agreement or any other agreement between WISE COATINGS and you, **(b)** WISE COATINGS' relationship with you, or ***(c)*** the validity of this Agreement or any other agreement between WISE COATINGS and you, before bringing such claim, controversy, or dispute in a court or before any other tribunal. Any information disclosed by either party in mediation may only be used for those purposes and may not be used in any following litigation or arbitration. Mediation must be conducted in person, and no telephonic or electronic appearance by any of the parties or their counsel is permitted except for the purposes of scheduling mediation or discussing non-material mediation-related matters.

23.7.2 The mediation shall be conducted by a mediator agreed upon by WISE COATINGS and you and, failing such agreement within not more than fifteen (15) days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association ("AAA") or any successor organization in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which WISE COATINGS maintains its principal business address at the time of mediation. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally.

23.7.3 If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 23.2. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

23.7.4 Notwithstanding the foregoing provisions of this Section 23.7, the parties' agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to WISE COATINGS pursuant to this Agreement, the Marks, Copyrighted Works, or WISE Coatings' Confidential Information. Moreover, regardless of this mediation agreement, WISE COATINGS and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

23.7.5 Neither illness, Covid, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for mediation.

23.8. Arbitration

23.8.1 If mediation is unsuccessful, and except as expressly set forth herein, all disputes, claims and controversies arising out of or relating to this Agreement or any other agreement between the parties hereto or a breach thereof shall be settled totally and finally by arbitration in Collin County, Texas or the city in which Franchisor maintains its principal place of business at the time the arbitration is initiated pursuant to the Commercial Arbitration Rules of the AAA (the "Rules"). Except as expressly set forth herein, arbitration shall be the exclusive method available for resolution of claims and disputes arising from or relating to this Agreement or the franchise relationship created thereby. Notwithstanding the foregoing provisions of this Section 23.8.1, the parties' agreement to arbitrate shall not apply to controversies,

disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, Copyrighted Works, or Franchisor's Confidential Information. Any information disclosed by either party in mediation or pre-arbitration settlement discussions may only be used for those purposes and may not be presented as evidence in arbitration. Parties and their counsel must be present in-person for the final hearing, and any telephonic or electronic appearances are reserved for pre-hearing matters and remote non-party witnesses only. The Franchisee acknowledges and expressly agrees that the Franchisor requires strict compliance with all terms and provisions of this Section 23.8.

23.8.2 Such arbitration shall be conducted before a single arbitrator selected by the mutual agreement of the parties. If the parties cannot agree upon a single arbitrator within thirty (30) days after written demand for arbitration, the arbitrator will be selected pursuant to the Rules. All arbitrators shall be knowledgeable and have experience in the franchise industry and be selected from the panel which the AAA provides. Each party to the arbitration shall be responsible for their own cost and expenses of arbitration, including legal and filing fees. In the arbitration, any and all pretrial discovery methods, including, but not limited to, the taking of depositions of witnesses, written interrogatories, request for production, inspection and copying and documents shall be available to the parties subject to the reasonable limitations set forth by the arbitrator. The presentations of the parties and the arbitration proceedings shall be commenced and completed within sixty (60) days after selection of the arbitrator and the arbitrator shall render its standard award in writing within thirty (30) days after completion of such presentations. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement and shall not merge with any other agreement.

23.8.3 Furthermore, notwithstanding the foregoing, the arbitrator shall have no jurisdiction over disputes relating to the ownership, validity, use, or registration of any Mark, copyright or proprietary or Confidential Information of Franchisor, without Franchisor's prior written consent. Franchisor may seek any applicable remedy in any applicable forum with respect to these disputes. In addition to obtaining monetary damages, Franchisor may obtain injunctive relief against misuse of its Marks, copyrights, or Confidential Information.

23.8.4 Notwithstanding the foregoing, nothing contained herein shall be construed to limit or prevent Franchisor from terminating this Agreement or applying to and obtaining from any court, having jurisdiction a writ of attachment, a temporary injunction, a preliminary injunction or any other injunctive or emergency relief available to safeguard and protect Franchisor's interests prior to the filing of or during or following any arbitration or other proceeding or pending the handing down of a decision or award in connection with any arbitration or other proceeding.

23.8.5 Nothing contained herein shall be deemed to give the arbitrators any authority, power, or right to alter, change, amend or modify, add to or subtract from any provisions of this Agreement.

23.8.6 Arbitration will be conducted on an individual, and not a class-wide basis, and the arbitration may not be joined or consolidated with any other proceeding.

23.8.7 For avoidance of doubt, this provision specifically requires both parties to arbitrate our disputes through the American Arbitration Association ("AAA"). The arbitration process allows the disputes to be heard and decided by one arbitrator, selected using the AAA's standard selection process, apply the law to the facts and evidence presented and where we will not use the local court system or its judges. By signing this franchise agreement, you are consenting to resolve disputes through arbitration administered by the AAA, using the current AAA commercial rules.

23.8.8 Neither illness, Covid, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for depositions or evidentiary hearings.

23.9. CLASS ACTION WAIVER

EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY CLAIM, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PARTY.

24. ACKNOWLEDGMENTS

24.1. Receipt of this Agreement and the Franchise Disclosure Document

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

24.2 Disavowal of Oral Representations

You and we must acknowledge that we want all terms of our business relationship to be defined in this written agreement and that neither of us want to enter into a business relationship with the other which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations as set forth in this Agreement. Therefore, you and we agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between us. We each agree that we placed and will place no reliance on any such discussions. You agree that no representations have been made to you concerning this Agreement or the Franchised Business other than contained in this agreement and in the Franchise Disclosure Document you received before you signed this Agreement (the "FDD"). You agree that no claims, representations, warranties, guarantees express or implied regarding actual or potential earnings sales profits or success of your Franchised Business have been made to you other than as forth in item 19 of the FDD.

24.3. Other Franchisees

Franchisee acknowledge that other franchisees have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. Franchisee also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations we grant to other of our franchised business (whether franchised, or centers that the Franchisor or its affiliates operate), and will not be entitled to require Franchisor to grant similar variations or privileges to the Franchisee.

24.4. Consultation by Franchisee

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

24.5. True and Accurate Information

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

24.6. Risk

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

24.7. No Guarantee of Success

Franchisee represents and acknowledges that it has not received any representation, promise, or guarantee, express or implied, made by Franchisor or any authorized representative of Franchisor, as to the revenues, profits or likelihood of success of the Franchised Business. Franchisee represents and acknowledges that no representations have been made by Franchisor's officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the franchise disclosure document delivered to Franchisee in connection with the grant of the franchise memorialized by this Agreement.

24.8. No Violation of Other Agreements

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

24.9 Franchisee's Acknowledgement

Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information, and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets, and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, hereby have duly executed this Agreement as of the Effective Date.

FRANCHISOR: **WISE COATINGS FRANCHISES LLC**	**FRANCHISEE:**
By: _____ Whitney White, Chief Executive Officer	By: _____ Name/Title

ATTACHMENT 1 TO THE FRANCHISE AGREEMENT
KEY TERMS

1. Section 2.2.1 Franchisee's authorized non-exclusive Territory is described as follows:

_____.

2. Section 2.2.2. The street address (or detailed description of the premises) of the location for the Franchised Business Office is: _____.

3. Section 2.2.4. The service tools and equipment for the Franchised Business shall be stored:

☐ on-site (same site as Franchised Business Office)

☐ off-site storage unit

4. Section 3.1. The Franchise Fee is $_____.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Key Terms Attachment 1 with an effective date of _____.

FRANCHISOR:
WISE COATINGS FRANCHISES LLC

By: _____
Whitney White, Chief Executive Officer

FRANCHISEE:

By: _____
Name/Title

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "Agreement" made as of the ____ day of _____, 20___, is by and between _____, ("Franchisee") (d/b/a as WISE COATINGS Franchise) and _____ ("Individual").

W I T N E S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement") by and between Franchisee and the Wise Coatings Franchises LLC ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

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

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) custom floor coatings and garage storage solutions and other services the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in WISE COATINGS Businesses that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to WISE COATINGS Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Confidential Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is

rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of their obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) Individual's obligations under Section 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a WISE COATINGS Business.

3. Non-Competition

a) During the term of Individual's relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company's service mark" WISE COATINGS" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with WISE COATINGS Businesses or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of WISE COATINGS Businesses.

b) During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of Franchisor.

c) Except as otherwise approved in writing by Franchisor, Individual shall not, for a period of two (2) years after the termination of the Individual's relationship with Franchisor, either directly or indirectly, own an interest in, manage, or operate any Competitive Business in the Franchisee's Territory(as defined in the Franchisee's Franchise Agreement), or within twenty-five (25) miles from the perimeter of the Franchisee's Territory that Individual was previously affiliated with.

d) During the term of Individual's relationship with Franchisee and for a period of two (2)

years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any customer or other business associate of Franchisee, Company or any other WISE COATINGS Business to compete against, or terminate or modify their business relationship with, Franchisee, Company or any other WISE COATINGS Business.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Seminole County, Florida. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by Company where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction.

d) Individual agrees if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorney's fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees,

taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

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

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

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

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

j) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Company pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT THEY HAVE READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

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

INDIVIDUAL:

By: _____
Name, Individually

FRANCHISEE:

By: _____
Name/Title

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20_____, by _____ (whether one or more individually and collectively "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ ("Agreement") by Wise Coatings Franchises LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7 and 17 of the Agreement. Each of the undersigned waives: **(a)** acceptance and notice of acceptance by Franchisor of the foregoing undertakings; **(b)** notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; **(c)** protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; **(d)** any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and **(e)** any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: **(a)** its direct and immediate liability under this Guaranty shall be joint and several; **(b)** it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; **(c)** such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and **(d)** such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and their heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Florida (without giving effect to principles of conflicts of law).

Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Courts of the State of Florida and the United States District Court located in or serving Seminole County, Florida and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other Franchising Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Franchisor in respect of this Guaranty or any

of the other Franchising Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty, the other Franchising Agreements or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or their property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or their property).

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

GUARANTOR

_____ PERCENTAGE OF OWNERSHIP IN FRANCHISEE: ___%
Name, Individually

ADDRESS:
TELEPHONE NO.:

_____ PERCENTAGE OF OWNERSHIP IN FRANCHISEE: ___%
Name, Individually

ADDRESS:
TELEPHONE NO.:

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; GOVERNING PERSONS

If the Franchisee operates the business other than as a sole proprietorship, please complete the following:

(a) Franchisee is a [TYPE OF ENTITY], formed under the laws of the state of [STATE] on [DATE OF FORMATION].

(b) The following individuals or entities hold a legal or beneficial interest in the Franchisee:

Name	Home Address	Telephone Number	Email Address	% of Ownership

(c) The following individuals are the Franchisee's governing persons:

Name	Home Address	Telephone Number	Email Address	Title

FRANCHISOR:
WISE COATINGS FRANCHISES LLC

By: _____
Whitney White, Chief Executive Officer

FRANCHISEE:

By: _____
Name/Title

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT
ELECTRONIC FUNDS TRANSFER

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO WISE COATINGS FRANCHISES LLC ("PAYEE")

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

a) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

b) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

c) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository (Bank Name): _____ Bank Account Name: _____

Bank Acct #: _____ Routing #: _____

(Please attach one voided check for the above account)

Franchise Location Name: _____

By: _____

Title of Authorized Representative (Depositor): _____

Date: _____

WISE COATINGS FRANCHISES LLC

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "**Amendment**") effective _____ between Wise Coatings Franchising, LLC, ("**Wise Coatings**" or "**Franchisor**") and _____ ("**Franchisee**") is entered into simultaneously with the execution of the Franchise Agreement.

1. Renewal. Section 4.2 of the Franchise Agreement is amended by the addition of the following language:

> Provided that you cannot be required to prospectively asset to a release, assignment, novation, waiver or estoppel which purports to relieve Franchisor from liability under Indiana Code 23-2-2.7.

2. Authorized Products, Services and Suppliers. Section 13.1 of the Franchise Agreement is amended by the addition of the following language:

> Notwithstanding anything to the contrary contained in this Agreement, Franchisor shall not require that you purchase any goods, supplies, inventories, or services exclusively from us or sources we designate where such goods, supplies, inventories, or services of comparable quality are available sources other than those we designate, provided that our publication of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by us does not constitute designation of a source nor does our reasonable right to disapprove a supplier constitute a designation, and further provided that the above restriction on designation of sources does not apply to the principal goods, supplies, inventories, or services manufactured by or for us or trademarked by us.

3. Transfer by Franchisee to a Third Party. Section 18.2 of the Franchise Agreement is amended by the addition of the following language:

> Provided that you cannot be required to prospectively asset to a release, assignment, novation, waiver or estoppel which purports to relieve Franchisor from liability under Indiana Code 23-2-2.7.

4. Dispute Resolution. Article 23 of the Franchise Agreement is amended by the addition of the following language:

> Notwithstanding anything to the contrary in this Article 23, if this Article 14 requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation pursuant to IC 23-2-2.7-1(1). Notwithstanding anything to the contrary contained in this Article 14, the choice of law for any cause of action brought under this Agreement will be subject to any superseding provisions contained in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7. You will be permitted to bring actions arising under IC 23-2-2.5 at any time within three years from the date of violation pursuant to IC 23-2-2.7-1(10). You cannot be required to recognize the adequacy or inadequacy of any remedy. The waiver or release of any rights with regard to this Agreement is prohibited under IC 23-2-2.7-1(5).

5. Each provision of this Amendment will be effective only to the extent that, with respect to the provision, the jurisdictional requirements of the Indiana Franchise Practices Law is met independently of this Amendment. Franchisor does not waive its right to challenge the enforceability of any state law and declares void or unenforceable any provision contained in this Agreement. Franchisor and Franchisee will enforce the provisions of this Agreement to the extent permitted by law.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
WISE COATINGS FRANCHISES, LLC	
By: _____	By: _____
Whitney White	Name/Title
Chief Executive Officer	

WISE COATINGS FRANCHISES LLC

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK

THIS AMENDMENT TO FRANCHISE AGREEMENT effective _____, ("Amendment") is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement ("Franchise Agreement") ") between Wise Coatings Franchises, LLC ("Franchisor") and _____ ("Franchisee").

Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

In recognition of the requirements of the General Business Law of the State of New York, Article 3, Section 687 and Article 33, Sections 680-695, and the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, the Disclosure document for Wise Coatings Franchises, LLC, for use in the State of New York shall be amended as follows:

1. Renewal. Section 4.2.8 of the Franchise Agreement (with respect to signing a general release) is amended by the addition of the following language:

> ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of Article 33 of the General Business Laws of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

2. Transfer by Franchisee to a Third Party. Section 18.2 of the Franchise Agreement is amended by the addition of the following language:

> ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of Article 33 of the General Business Laws of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

3. Choice of Law. Section 23.1 of the Franchise Agreement is amended by the addition of the following language:

> ; however, the governing choice of law shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

4. Each provision of this Amendment will be effective only to the extent that, with respect to the provision, the jurisdictional requirements of the New York General Business Law is met independently of this Amendment. Franchisor does not waive its right to challenge the enforceability of any state law and declares void or unenforceable any provision contained in this Agreement. Franchisor and Franchisee will enforce the provisions of this Agreement to the extent permitted by law.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:
WISE COATINGS FRANCHISES LLC

By: _____
Whitney White, Chief Executive Officer

FRANCHISEE:

By: _____
Name/Title

EXHIBIT D TO DISCLOSURE DOCUMENT

TELEPHONE NUMBER AND WEBSITE URL ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER AND WEBSITE URL ASSIGNMENT AGREEMENT is made this _____ day of _____, 20____, between Wise Coatings Franchises LLC d/b/a WISE COATINGS, ("**we**," "**us**", "**our**", or "**Franchisor**") and the franchisee named below ("**you**", "**your**", or "**Franchisee**").

BACKGROUND

A. The parties are entering into one or more WISE COATINGS Franchise Agreements.

B. As a condition to signing the Franchise Agreement(s), we have required that you assign all of your right, title and interest in the telephone numbers and website URLs relating to the WISE COATINGS Franchise(s) to us upon the expiration or termination of any of the Franchise Agreements.

The parties agree as follows:

TERMS

1. **Assignment**. In order to secure continuity and stability of our operation of the WISE COATINGS System, immediately upon the expiration or termination of any of your WISE COATINGS Franchise Agreement(s), this Agreement constitutes your automatic assignment to us all of your right, title and interest in and to certain telephone numbers, telephone listings, and website URLs pursuant to the expired or terminated WISE COATINGS Franchise Agreement(s) without further action on your part. Your "website URLs" refers to any internet domain names you register, adopt, or use to promote your WISE COATINGS franchise, including any URLs listed on Exhibit A here.

2. **Assumption**. We, in consideration of the transfer of telephone numbers and website URLs, assume, as of this date, all future obligations of the present subscriber for the telephone numbers and website URLs.

3. **Your Representation and Warranties**. You represent, warrant and covenant to us that:

(a) As of the effective date of the Assignment, all of your obligations and indebtedness for telephone and URL hosting services must be paid and current.

(b) As of the date of this Agreement, you have full power and legal right to enter into, sign, deliver and perform this Agreement.

(c) This Agreement is your legal and binding obligation enforceable in accordance with its terms.

(d) The signing, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which you are a party or by which you are bound, and no consent of nor approval by any third party is required.

(e) You have the specific power to assign and transfer your right, title and interest in your telephone numbers and website URLs and you have obtained all necessary consents to this Assignment.

4. **Further Actions**. You agree to take any other steps and execute any other documents required by the telephone service provider and domain name hosting company to make the assignments contemplated by this Agreement.

5. **Miscellaneous**. The validity, construction and performance of this Assignment is governed by the laws of the State of Florida. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All our rights inure to our benefit and to the benefit of our successors and assigns.

FRANCHISOR:
WISE COATINGS FRANCHISES LLC

FRANCHISEE:

By: _____
Whitney White, Chief Executive Officer

By: _____
Name/Title

EXHIBIT D-1 TO THE TELEPHONE NUMBER AND WEBSITE URL ASSIGNMENT AGREEMENT

[list web URLs here]

EXHIBIT E TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

This confidentiality and non-disclosure agreement (this "Agreement") is being entered into on ___ _____, between Wise Coatings Franchise LLC (collectively, the" Company") and _____, an adult individual ("Recipient "). Company and Recipient is referred to hereto as "Parties."

The Recipient is considering purchasing a franchise from the Company (the "Transaction"). As part of its evaluation of the Transaction, Recipient desires to receive and review information related to the Company's operations manual, which is confidential and/or proprietary. The Company desires to receive assurances that certain of this information will not be disclosed or used except in limited circumstances, and Recipient desires to provide these assurances.

Therefore, the Parties hereby agree as follows:

1. Definitions. For purposes of this Agreement, the term "Evaluation Material" means all information furnished by the Company to the Recipient relating to its confidential operations manual, and regardless of the manner in which it is furnished (written, oral, visual or electronic and whether or not confidential or proprietary status is indicated in writing, orally or otherwise, and in whatever format, including but not limited to written, video, and audio recordings), including, without limitation: (a) technical data or know-how relating to the WISE COATINGS franchise system, including but not limited to specifications, techniques, processes, systems, data, documentation, diagrams, trade secrets, research and development; and (b) any other information contained in and treated as the Company's confidential operations manual.

2. Limitations on disclosure and use of Evaluation Material.

Upon Company's disclosure of Evaluation Material to Recipient, Recipient hereby agrees to keep Evaluation Material strictly confidential and shall use the Evaluation Material solely for the purpose of evaluating the Transaction. Except as permitted by this Agreement, Recipient hereby agrees that it shall not disclose the Evaluation Material to third parties or any other parties. In satisfying its obligations under this Section 2, Recipient shall apply no less than the same degree of care as it applies with regard to its own information similar to the Evaluation Material, but in any event shall use at least commercially reasonable care. Recipient shall not reproduce the Evaluation Material in any way, electronic or otherwise, and shall not maintain any copies or reproductions without written consent from the Company.

3. No representations; No obligation to provide or receive information; Termination.

The Recipient acknowledges and agrees that the Company makes no representations, warranties, guarantees, or promises regarding the accuracy of the Evaluation Material. Recipient shall not rely solely on the Evaluation Material provided, and shall perform its own due diligence. The Company may cease providing Evaluation Material at any time. The obligations under Section 2 do not expire so long as the Company continues to treat Evaluation Material as confidential and proprietary.

4. Miscellaneous.

4.1 Until a definitive agreement for the Transaction has been entered into, neither the Company nor Recipient is under any legal obligation of any kind whatsoever by virtue of the entering into of this Agreement, except with respect to the matters specifically agreed to herein.

4.2 No party may assign this Agreement or its rights and obligations without the prior written consent of the other party, which consent shall not be unreasonably withheld or conditioned. Any assignment not permitted by this Section 4.2 is ineffective as to the assignment of rights and obligations under this Agreement. If any provision of this Agreement is unenforceable to any extent, the remainder of this Agreement, or application of that provision to any persons or circumstances other than those as to which it is held unenforceable, will not be affected by that unenforceability and will be enforceable to the fullest extent permitted by law. This Agreement constitutes the entire agreement of the Parties relating to the subject matter of this Agreement and supersedes all other oral or written agreements or policies relating thereto. The Parties may sign this Agreement in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument. No amendment of this Agreement will be effective unless it is in writing and signed by Recipient and the Company. No waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing signed by the party granting the waiver, and no waiver will constitute a waiver of satisfaction of any other condition or nonperformance of any other obligation. Any failure or delay by any party in exercising any right under this Agreement shall not be construed as a waiver of that right.

4.3 Except to the extent this Agreement or any particular dispute is governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without reference to its conflict of laws principles). Any action brought by either party against the other, shall only be brought and maintained exclusively in the federal or state courts situated in the judicial district in which Franchisor maintains its principal business address at the time the action is commenced, currently Lake Mary, Florida. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Notwithstanding the foregoing, claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments in any appropriate jurisdiction. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

The Parties execute this Agreement as of the date first written above.

RECIPIENT:

By:_____
Name:
Title:

COMPANY:
WISE COATINGS FRANCHISES LLC

By:_____
Whitney White, Chief Executive Officer

EXHIBIT F TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

FINANCIAL STATEMENTS

Wise Coatings Franchises LLC

Financial Statements

As of December 31, 2024 and 2023
and for the years ended December 31, 2024, 2023 and 2022

Wise Coatings Franchises LLC

Financial Statements

As of December 31, 2024 and 2023
and for the years ended December 31, 2024, 2023 and 2022

Table of Contents

Independent Auditor's Report…….…….…….. 3

Financial Statements

Balance Sheets.……...…….....…… 5

Statements of Operations….....…….……..……..... 6

Statements of Changes in Members' Deficit……..... 7

Statements of Cash Flows…..…….....…… 8

Notes to Financial Statements……..…….....… 9

A&G LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Members
Wise Coatings Franchises LLC
Lake Mary, Florida

Report on the Financial Statements

Opinion

We have audited the financial statements of Wise Coatings Franchises LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in members' deficit, and cash flows for the years ended December 31, 2024, 2023 and 2022, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in members' deficit and cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wise Coatings Franchises LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wise Coatings Franchises LLC's ability to continue as a going concern within one year from the date the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

A+G LLP

Dallas, Texas
April 30, 2025

Balance Sheets

As of December 31,	**2024**	2023
Assets		
Current assets:		
Cash and cash equivalents	**$ 21,111**	$ 152,468
Accounts receivable, net	**136,789**	131,045
Unbilled revenue	**45,000**	-
Prepaid expenses	**23,106**	18,832
Deferred costs	**22,287**	13,987
Total current assets	**248,293**	316,332
Deferred costs, net	**173,683**	118,465
Operating lease right-of-use asset	**75,709**	109,254
Security deposit	**3,000**	3,000
Total assets	**$ 500,685**	$ 547,051
Liabilities and Members' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	**$ 109,749**	$ 41,220
Due to member	**21,899**	23,731
Due to affiliate	**853**	853
Deferred revenue	**189,915**	95,372
Current portion of long-term debt	**6,854**	15,123
Current portion of operating lease liability	**30,110**	29,286
Total current liabilities	**359,380**	205,585
Long-term liabilities:		
Deferred revenue, net	**663,725**	426,695
Long-term debt, net	**-**	6,854
Line of credit	**77,400**	-
Operating lease liability, net	**52,864**	89,056
Members' deficit	**(652,684)**	(181,139)
Total liabilities and members' deficit	**$ 500,685**	$ 547,051

Statements of Operations

For the years ended December 31,	**2024**	2023	2022
Revenues:			
Franchise fee revenue	**$ 312,233**	$ 163,880	$ 38,940
Royalty revenue	**363,086**	188,262	96,490
Marketing fee revenue	**147,634**	75,305	38,596
Management fee revenue	**-**	16,000	84,649
Other revenue	**14,242**	14,017	3,358
Total revenues	**837,195**	457,464	262,033
General and administrative expenses:			
Advertising and marketing	**162,775**	15,832	10,091
Commissions	**19,482**	7,548	-
Personnel cost	**479,429**	148,468	91,725
Professional fees	**103,242**	36,273	71,389
Technology expense	**379,895**	226,029	123,032
Operating lease costs	**30,883**	18,751	-
Other general and administrative expenses	**130,512**	112,511	21,460
Total general and administrative expenses	**1,306,218**	565,412	317,697
Loss from operations	**(469,023)**	(107,948)	(55,664)
Other expense:			
Interest expense	**(2,522)**	(2,322)	-
Net loss	**$ (471,545)**	$ (110,270)	$ (55,664)

Statements of Changes in Members' Deficit

For the years ended December 31,	**2024**	**2023**	2022
Balance at beginning of year	**$ (181,139)**	**$ (70,869)**	$ (15,205)
Net loss	**(471,545)**	**(110,270)**	(55,664)
Balance at end of year	**$ (652,684)**	**$ (181,139)**	$ (70,869)

Statements of Cash Flows

For the years ended December 31,	**2024**	2023	2022
Operating Activities			
Net loss	**$ (471,545)**	$ (110,270)	$ (55,664)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Provision for credit losses	**23,396**	409	-
Non-cash operating lease costs	**(1,823)**	9,088	-
Changes in operating assets and liabilities:			
Accounts receivable	**(29,140)**	(115,807)	(12,697)
Prepaid expenses	**(4,274)**	(18,832)	2,391
Deferred costs	**(63,518)**	(132,452)	-
Security deposit	**-**	(3,000)	-
Accounts payable and accrued expenses	**68,529**	26,153	12,517
Deferred revenue and unbilled revenue	**286,573**	468,120	23,560
Net cash provided (used) by operating activities	**(191,802)**	123,409	(29,893)
Investing Activities			
Net cash provided by investing activities	**-**	-	-
Financing Activities			
Net advances from (to) member	**(1,832)**	5,415	100
Net advances from affiliate	**-**	793	1,016
Proceeds from long-term debt	**-**	30,000	-
Payments on long-term debt	**(15,123)**	(8,023)	-
Net borrowing on line of credit	**77,400**	-	-
Net cash provided by financing activities	**60,445**	28,185	1,116
Net increase (decrease) in cash and cash equivalents	**(131,357)**	151,594	(28,777)
Cash and cash equivalents, beginning of year	**152,468**	874	29,651
Cash and cash equivalents, end of year	**$ 21,111**	$ 152,468	$ 874
Supplemental Disclosure of Cash Flow Information			
Interest paid	**$ 2,360**	$ 2,322	$ -

1. Organization and Operations

Description of Business

Wise Coatings Franchises LLC, an Oregon limited liability company, was formed on April 13, 2021 ("Inception"). References in these financial statement footnotes to "Company", "we", and "us" and "our" refer to the business of Wise Coatings Franchises LLC.

The Company is a limited liability company, and therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the members have signed a specific guarantee.

The Company was formed for the purpose of granting franchisees the right to operate a WISE COATINGS business providing custom floor coatings and garage storage solutions for both residential and commercial customers using our proprietary business format, product, and techniques (the "System".) The Company operates under "WISE COATINGS" and "POLYWISE" trade names and its associated design (the "Mark").

Wise IP LLC, an affiliate of the company, licensed the trademarks relating to the franchise system to the Company under a license agreement (the "License") dated May 27, 2021 which has a perpetual term, unless otherwise terminated by mutual agreement. The License grants the Company the right to use these trademarks for licensing them to franchisees of the Company in the United States.

The table below reflects the status and changes in franchised business and affiliate owned business for the years ended December 31, 2024, 2023 and 2022.

Franchised Business

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2022	2	4	1	5
2023	5	9	0	14
2024	14	14	1	27

Affiliate Owned Business

Year	Start of Year	Opened	Closed or Ceased Operations – Other reasons	End of Year
2022	1	0	0	1
2023	1	0	0	1
2024	1	0	0	1

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has sustained a loss from operations and had net cash outflows from operating activities for the year ended December 31, 2024 and is dependent on additional funding from its members. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's members have committed to providing the necessary funding to ensure the Company has sufficient liquidity to satisfy its obligations for at least twelve months following the issuance of the financial statements. After considering the financial wherewithal of its members to provide financial support to the Company to ensure the continued financial viability of the Company for at least twelve months following the issuance of the financial statements, management concluded that substantial doubt about the Company's ability to continue as a going concern has been alleviated. Accordingly, these financial statements do not include any adjustments that would be required were the Company not be able to continue as a going concern.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Use of Estimates
The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others: revenue recognition, allowance for credit losses and right-of-use assets and liabilities. Actual results could differ from those estimates.

Comparative Financial Statements
Certain prior period amounts have been reclassified to conform to current year presentation.

Fair Value Measurements
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and deferred revenue. The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and deferred revenue are considered to be representative of their respective fair values due to the short-term nature of these instruments. Based on the borrowing rates currently available to the Company for loans with similar terms, the carrying value of long-term debt and the line of credit approximates fair value.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data

Non-recurring fair value measurements include the assessment of right-of-use asset for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

2. Significant Accounting Policies (continued)

Accounts Receivable
Accounts receivable consist primarily of royalties, franchise fees and other fees due from franchisees and are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balance over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to an allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses.

Incremental costs of obtaining a contract
The Company capitalizes incremental contract costs associated with obtaining franchise contracts which include broker fees, sales commissions, and general fees that would not have been incurred had the franchise sale not occurred. These balances are reported as deferred costs on the balance sheets and are amortized over the term of the related franchise agreements. Amortization of these costs is included as commission expense in the statements of operations.

Impairment of Long-Lived Assets
The Company assesses potential impairment of its long lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the years ended December 31, 2024, 2023 and 2022, no impairment charges were recognized related to long-lived assets.

Revenue Recognition

Franchise fee revenue
The Company recognizes revenue in accordance with Financial Accounting Standard Board ("FASB") ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Franchise fee revenue (continued)
The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s), continuing royalty and other fees on a monthly basis based upon a percentage of franchisees gross sales. A franchise agreement establishes a WISE COATINGS business developed in one or multiple defined geographic area and provides for a 10-year initial term with the option to renew for one additional 10-year term. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise to a new or existing franchisee. The new franchisee will then sign a new franchise agreement and is required to pay a transfer fee.

Under the terms of our franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as training, and ongoing services. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue is allocated to the two separate performance obligations using a residual approach. The Company has estimated the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities is recognized when (or as) these services are performed, no later than opening date. Revenue allocated to franchise rights and ongoing services is recognized on a straight-line basis over the contractual term of the franchise agreement as this ensures that revenue recognition aligns with the customer's access to the franchise right. Renewal fees are recognized over the renewal term of the respective franchise from the start of the renewal period. Transfer fees are recognized over the contractual term of the transfer agreement.

Royalty revenue
Royalty revenue is based on the greater of five percent of the franchisees' gross revenue or the minimum monthly royalty fee. Royalty revenue is recognized during the respective franchise agreement as earned each period as the underlying franchised business sales occur.

Marketing fee revenue
Marketing fee revenue is currently based on two percent of the franchisees' gross revenue and subject to change, but not to exceed three percent. Marketing fee revenue is recognized during the respective franchise agreement as earned each period as the underlying franchised business sales occur.

Management fee revenue
The Company provides management services and certain operational support for its affiliate, PolyWise LLC in exchange for a management fee. Management fee revenue is recognized as earned.

Other revenue
Other revenue consists of other fee revenue and is recognized when earned.

Advertising
All costs associated with advertising and marketing are expensed in the period incurred.

2. Significant Accounting Policies (continued)

Leases
The company accounts for leases under ASC 842. Lease arrangements are determined at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheet. Operating leases with the terms greater than 12 months are included in operating lease right-of-use ("ROU") asset, operating lease liability and long-term operating lease liability on the balance sheet. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease terms include the noncancelable portion of the underlying lease with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Income Taxes
The Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the members are liable for individual federal income taxes on the taxable income. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

The Company files income tax returns in the U.S. federal jurisdiction and the states in which it operates. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company is subject to examination by taxing jurisdictions for all periods from inception, April 13, 2021.

In accordance with FASB ASC 740-10, Income Taxes, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Management's determination of the taxable status of the entity, including its status as an S Corporation, a pass-through entity, is a tax position that is subject to consideration of uncertainty. The Company believes it has complied with all regulations required to maintain its status as an S Corporation and more likely than not, this status would hold up under examination. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 and 2023.

Recent Accounting Pronouncements
We reviewed significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

Subsequent Events
In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated subsequent events through April 30, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in a bank deposit account that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in one financial institution.

4. Revenue and Related Contract Balances

Disaggregation of Revenue

The following table disaggregates revenue by source for the years ended December 31:

	2024	2023	2022
Point in time:			
Franchise fee revenue	**$ 235,091**	**$ 134,500**	$ 31,500
Royalty revenue	**363,086**	**188,262**	96,490
Marketing fee revenue	**147,634**	**75,305**	38,596
Management fee revenue	**-**	**16,000**	84,649
Other revenue	**14,242**	**14,017**	3,358
Total point in time	**$ 760,053**	**$ 428,084**	$ 254,593
Over time:			
Franchise fee revenue	**77,142**	**29,380**	7,440
Total revenues	**$ 837,195**	**$ 457,464**	$ 262,033

Contract Assets

Contract assets consist of unbilled revenue. Unbilled revenue consists of initial franchise fees earned from its franchisees for which a billing has not occurred.

Contract Costs

Contract costs consist of deferred costs resulting from broker fees and commissions incurred when the franchise rights are sold to franchisees. The Company classifies these contract assets as deferred costs on the balance sheets. The following table reflects the change in contract assets for the years ended December 31:

	2024	2023
Deferred costs – beginning of year	**$ 132,452**	$ -
Expense recognized during the year	**(19,482)**	(7,548)
New deferrals	**83,000**	140,000
Deferred costs – end of year	**$ 195,970**	$ 132,452

The following table illustrates estimated expenses expected to be recognized over the remaining term of the associated franchise agreements as of December 31, 2024:

2025	$ 22,287
2026	22,287
2027	22,287
2028	22,287
2029	22,287
Thereafter	84,535
Total	$ 195,970

4. Revenue Recognition (continued)

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial franchise fees, renewal fees and transfer fees paid by franchisees and deferred event income which is recognized upon the occurrence of the event. The Company classifies these contract liabilities as deferred revenue on the balance sheets. The following table reflects the change in contract liabilities for the years ended December 31:

	2024	2023
Deferred revenue – beginning of year	**$ 522,067**	$ 53,947
Franchise fee revenue recognized	**(312,233)**	(163,880)
New deferrals	**643,807**	632,000
Deferred revenue – end of year	**$ 853,641**	$ 522,067

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

2025	$ 189,916
2026	87,607
2027	86,375
2028	83,380
2029	82,486
Thereafter	323,877
Total	$ 853,641

5. Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2024	2023
Accounts receivable	**$ 160,185**	$ 131,045
Less: allowance for credit losses	**(23,396)**	-
Accounts receivable, net	**$ 136,789**	$ 131,045

For the years ended December 31, 2024, 2023 and 2022, credit loss expense related to accounts receivable was $23,396, $409 and $0, respectively.

The allowance for credit losses activity was as follows:

	2024	2023
Balance at beginning of year	**$ -**	$ -
Provision for credit losses	**23,396**	409
Write-offs, net of recoveries	**-**	(409)
Balance at end of year	**$ 23,396**	$ -

6. Long-Term Debt

For the years ended December 31, 2024 and 2023, the long-term debt consisted of the following:

	2024	2023
Note payable - member	**$ 6,854**	$ 21,977
Less: current portion of long-term debt	**(6,854)**	(15,123)
Long-term debt, net	**$ -**	$ 6,854

Future maturities of long-term obligations for the years following December 31, 2024 are as follows:

2025	6,854
Total	$ 6,854

Note payable - member
In June 2023, the Company borrowed $30,000 under a promissory note with a member. This loan bears interest at 12% per annum, requires payments of monthly installments of principal and interest of approximately $1,412 and matures in June 2025.

7. Line of Credit

In August 2024, the Company entered into a line of credit agreement with a bank, which provides a line of credit up to $100,000 through August 2029. In August 2029, the line of credit converts to a term note with principal and interest payments due in an amount equal to the greater of $250 or the aggregate sum of the accrued interest plus 1/60th of the unpaid principal balance. The line provides for interest at 3% over the prime rate (7.5% at December 31, 2024), payable monthly and is secured by the assets of the Company. As of December 31, 2024, the outstanding balance was $77,400.

8. Leases

During the year ended December 31, 2023, the Company entered into an operating lease with an initial term of approximately four years. The lease term may include options to renew when it is reasonably certain that the Company will exercise that option. The Company's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Operating lease costs for the year ended December 31, 2024 and 2023 was as follows:

	2024	2023
Operating lease costs	**$ 30,883**	$ 18,751

Supplemental cash flow information related to operating leases for the year ended December 31:

	2024	2023
Operating cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities	**$ 32,706**	$ 9,663
Non-cash activity:		
Right-of-use asset obtained in exchange for new operating lease liability	**$ -**	$ 125,210

8. Leases (continued)

The weighted average lease terms and discount rate information related to the operating lease was as follows:

	2024	2023
Weighted average remaining lease term of operating leases	**2.66 years**	3.67 years
Weighted average discount rate of operating leases	**3.9%**	3.9%

The future maturities of operating lease liability as of December 31, 2024 was as follows:

2025	$ 32,706
2026	32,706
2027	21,803
Total future minimum lease payments	87,215
Less: imputed interest	(4,241)
Total lease liability	$ 82,974

9. Related Party Transactions

Transactions with member

A member of the Company advanced funds and paid general and administrative expenses on behalf of the Company. At December 31, 2024 and 2023, the Company had an amount due to a member in the amount of $21,899 and $23,731, respectively. This amount is unsecured, bears no interest and is due upon demand.

Transactions with affiliate

The Company provides management services and certain operational support for its affiliate, PolyWise LLC, in exchange for a management fee. For the years ended December 31, 2024, 2023 and 2022, the Company recognized $0, $16,000 and $84,649 of management fee revenue, respectively.

At December 31, 2024 and 2023, the Company had an amount due to its affiliate in the amount of $853 and $853, respectively. This amount is unsecured, bears no interest and is due upon demand.

10. Credit Risk and Customer Concentrations

Credit risk

Receivables consist primarily of amounts due from franchisees. The financial condition of these franchisees is largely dependent upon the underlying business trends of the Company's brands. This concentration of credit risk is mitigated by the short-term nature of the receivables.

Customer Concentrations

For the years ended December 31, 2024, 2023 and 2022, concentration of royalty revenue and marketing fee revenue and accounts receivable were as follow:

For the years ended December 31,	**2024**	**2023**	**2022**
Number of franchisees greater than 10%	2	4	4
Percentage of royalty revenue and marketing fee revenue	23%	63%	76%
Number of franchisees greater than 10%	2	2	3
Percentage of accounts receivable	47%	84%	73%

11. Commitments and Contingencies

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of the management, all matters are of such nature, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

LIST OF CURRENT FRANCHISEES
AND LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF FRANCHISEES AS OF DECEMBER 31, 2024

Franchisee	Street Address	City	ST	Zip	Phone
Rue Holdings, LLC; Justin Rue	3202 Military Road	Benton	AR	72015	501-600-9473
ACMK Holdings, LLC; Allen Murphy	1291 County Road 1709	Holly Pond	AL	38083	256-262-8464
TASC Solutions LLC; Steven Totten, Amy Totten	3589 Northfield Rd E	Semmes	AL	36575	(251) 850 9473
Life or Limb LLC	2491 E San Miguel Dr	Casa Grande	AZ	85194	435-840-3658
Kickazzconcepts LLC; Tim Kollman	2750 South Voyager Dr Unit 102	Gilbert	AZ	85295	303-883-0710
Paloma Floors LLC; Justin Patel, Maria Patel	4872 Fiador Lane	Castle Rock	CO	80104	719-888-9473
Adam Starr	15148 W Washburn Ave	Lakewood	CO	80228	(720) 832 9473
Wise One LLC; John Thai	10762 Jellison Cir	Westminster	CO	80021	(303) 943-1300
Coppertail Industries, LLC; Lindsay Hinesley; Adam Hinesley; Whitney White	281 Specialty Point	Sanford	FL	32771	321-456-9473
Makke Ventures Inc; Zayn Makke	12869 Arnold Road	Walker	LA	70785	(225) 900-9473
JW Coatings, LLC; John Woytowitz	1824 Ridge Rd	Westminster	MD	21157	(443) 590-9473
Stewart Brothers Industries LLC; Gregory Stewar	2009 Wiggins Rd,	Fenton	MI	48430	(810) 991-9473
JC Prime Floors, Inc.; John Colon	6110 Countryside Drive	Midland	MI	48642	989-778-9473
Miller Svetina Enterprises, LLC; Cody Svetina; Kurt Miller (St. Charles)	3408 East Terra Lane	O'Fallon	MO	63366	636-422-9473
LOKZ, LLC; Krystal Greenhaw; Zach Greenhaw	5325 Indigo Moon Way	Raleigh	NC	27613	385-644-9473
Ky Guy Holdings; Kyle Lacasse	64 Lake View Dr	New Hampton	NH	03256	603-600-9473
JJBOH014 LLC; Joseph Baldesare	2330 Hamilton Ave	Cleveland	OH	44114	(440) 722-9473
Brookstone Investment Group, LLC; Brook Gregory	1115 Willow Branch Dr	Simpsonville	SC	29680	(864) 881-9473
Sola Gratia Group, LLC; Ken Groce; Drew Hamilton	405 Brookhaven Trl	Austin	TX	75746	512-599-9473
RadFurDad, LLC	8315 Banquo Dr	Dallas	TX	75228	(214) 831-9473
Tognietti, LLC; Gabe Tognietti, Lindsey	1023 Bear Creek Road	Kerrville	TX	78028	(830) 428-9473

Tognietti					
Property Resource Systems LLC; Troy Britt	1417 E. Greenfield Ave	Murray	UT	84121	385-789-9473
Waylon Pyatt	2321 N 750 W	Harrisville	UT	84414	(385) 744-9473
Meyers 5 Group, LLC; Doug Meyers and Michelle L Myers	19831 Ebenezer Church Road	Bluemont	VA	20135	(540) 438-9473
Machinist Makes, LLC; Gaige Nichol	994 Poquoson Avenue	Poquoson	VA	23662	(757) 733-9473
Daley Coatings LLC; Doug Hargraves; Brandon Vaughn	1030 Industry Drive	Tukwila	WA	98188	425-988-9473

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT, BUT OUTLET NOT OPEN AS OF DECEMBER 31, 2024

Franchisee	Street Address	City	ST	Zip	Phone
WC California LLC; Chris Aust	111 Jay Lane	Alamo	CA	94507	415-515-5199
Adam Starr (2nd location)	15148 W Washburn Ave	Lakewood	CO	80228	TBD
Wise One LLC; John Thai (2nd Location)	10762 Jellison Cir	Westminster	CO	80021	TBD
Scott Ackerman	1801 W Prairie Ct	Dunlap	IL	61525	309-256-3139
Gregory Wallace	1413 Churchill Drive	Schererville	IN	46375	708-912-1052
Ky Guy Holdings; Kyle Lacasse (2nd Location)	64 Lake View Dr	New Hampton	NH	03256	603-600-9473
Tognietti, LLC; Gabe Tognietti, Lindsey Tognietti (2nd location)	1023 Bear Creek Road	Kerrville	TX	78028	TBD

LIST OF FRANCHISEES WHO LEFT THE SYSTEM AS OF DECEMBER 31, 2024

Franchisee	City	ST	Phone
Curtis Sloyer	Cumming	GA	770-737-9473
Brandon Waugh/Amy Waugh [1]	Charlotte	NC	704-975-6275
Derick Spivey [1]	Yelm	WA	253-365-8345

Note 1: Franchise Agreement was signed but outlet never opened

Transfers:

Franchisee	City	ST	Phone
John Shrein	Scottsdale	AZ	520-438-9473
Jacob Daley	Tukwila	WA	425-988-9473

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

EXHIBIT H TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN THE STATE NEW YORK: DO NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS IN THIS QUESTIONNAIRE.

As you know, Wise Coatings Franchises LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, Wise Coatings Franchises LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

[PLEASE ACKNOWLEDGE EACH QUESTION BELOW WITH YOUR INITIALS]

1. I have received and personally reviewed Wise Coatings Franchises LLC Franchise Agreement and each exhibit, addendum and schedule attached to it.

_____

2. I understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it.

_____

3. I have received and personally reviewed our Disclosure Document that was provided by us.

_____

4. I understand all of the information contained in the Disclosure Document.

_____

5. I have discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and I understand those risks.

_____

6. I understand that the success or failure of my business will depend in large part upon my skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors.

_____

7. No employee or other person speaking on Wise Coating's behalf made any statement or promise concerning the revenues or profits of the Franchised Business that we or our franchisees operate.

_____

8. No employee or other person speaking on Wise Coating's behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document.

_____

9. No employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised

Business.

_____

10. No employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document.

_____

11. I understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us.

_____

12. I understand that my answers are important to us and that we will rely on them.

_____

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant:

Date: _____

_____
Name, Individually

EXHIBIT I TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

GENERAL RELEASE (SAMPLE FORM)

GENERAL RELEASE

(SAMPLE FORM)

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, ("RELEASOR") an individual/corporation/ limited liability company/partnership with a principal address of _____ _____, in consideration of:

_____ the execution by Wise Coatings Franchises LLC, an Florida limited liability company ("RELEASEE"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "Franchise Agreement") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement; or

_____ _____ [insert description]

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

[If Releasor is domiciled or has their principal place of business in the State of California]

WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

("Releasor") for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

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

With respect to those claims being released, I acknowledge, for myself and on behalf of all persons acting by or through me, which I am releasing unknown claims and waive all rights I have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this paragraph, I shall be considered to be creditors of Releasee, and each of them.

THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

The following only applies to Washington residents and/or franchises to be operated in the State of Washington:

The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR:_____
(type/print name)
By: _____
Name:_____
Title:_____
(or, if an individual)

Signed:_____
Name printed:_____

[This General Release agreement will be modified as necessary for consistency with any state law regulating franchising.]

ACKNOWLEDGMENT

State of _____)

) ss

County of _____)

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

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

_____ (NOTARIAL SEAL)

Notary Public

My Commission Expires:

_____

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT J TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

STATE SPECIFIC ADDENDA

WISE COATINGS FRANCHISES LLC

STATE SPECIFIC ADDENDA

FOR THE STATE OF INDIANA

The Indiana Deceptive Franchise Practices Act requires that Indiana law govern any cause of action arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act and prohibits limiting litigation brought for breach of the agreement in any manner whatsoever;

1. Item 12, "Territory," shall be amended by the addition of the following paragraph: we will not compete unfairly with you within a reasonable area;

2. The Indiana Deceptive Franchise Practices Act makes it unlawful to require a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area of greater than the exclusive area granted by the franchise agreement or, in the absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise;

3. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(p) (Death or disability of franchisee): You will have a period of 180 days following disapproval to sell the franchise to an assignee acceptable to us.

4. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(c) (Requirements for franchisee to renew or extend): Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively asset to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability imposed by Indiana State Code 23-2-2.7.

5. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(m) (Conditions for franchisor approval of transfer): Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively asset to a release, assignment, novation, waiver or estoppel which purports to relieve us from liability imposed by Indiana State Code 23-2-2.7.

6. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(v) (Choice of forum): Choice of forum for any litigation permitted under the Franchise Agreement in any jurisdiction other than Indiana may be unenforceable as a limitation on litigation under IC 23-2-2.7-1(1). We may not require that you agree to participate in any form of alternate dispute resolution other than arbitration before an independent arbitrator.

7. Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(w) (Choice of law): The choice of Texas law shall be subject to the superseding provisions in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7.

FOR THE STATE OF NEW YORK

The following information is added to the Cover Page of the Franchise Disclosure document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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. The following is added at the end of Item 3:

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 or 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 a or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of any 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. The following is added to the end of the "Summary" sections of item 17(c), titled "**Requirements for franchisee to renew or extend**", and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the "Summary" section of Item 17(v), titled "**Choice of forum franchisor**", and item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document

(offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

EXHIBIT K TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration as of the Effective Date stated below.

State	Effective Date
Indiana	Pending
Michigan	Pending
New York	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT L TO THE DISCLOSURE DOCUMENT

WISE COATINGS FRANCHISES LLC

RECEIPTS

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Wise Coatings Franchises LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by your state applicable law. Applicable state laws in Michigan requires us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires us to provide the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Wise Coatings Franchises LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A. Wise Coatings Franchises LLC's agents for service of process are listed in Exhibit B.

Date of Issuance: April 30, 2025 and amended June 27, 2025

The franchise seller for this offer is (please complete).

Check all that Apply	Name	Principal Business Address	Telephone Number
	Whitney White	108 Commerce Street, Suite 105, Lake Mary, FL 32746	407-336-9473
	Brandon Vaughn	108 Commerce Street, Suite 105, Lake Mary, FL 32746	407-336-9473

I have received a disclosure document dated April 30, 2025 as amended June 27, 2025. State registration effective dates are listed on the State Effective Dates page. The disclosure document included the following Exhibits:

A	List of State Administrators	G.	List of Current Franchisees and List of Former Franchisees
B.	List of State Agents for Service of Process	H.	Franchise Disclosure Questionnaire
C.	Franchise Agreement and Exhibits	I.	General Release (Sample Form)
D.	Telephone Number and Website URL Assignment Agreement	J.	State-Specific Addenda
E.	Confidentiality and Nondisclosure Agreement	K.	State Effective Dates
F.	Financial Statements	L.	Receipts

Please sign and print your name below, date and return one copy of this receipt to Wise Coatings Franchises LLC and keep the other for your records.

_____ _____

Date of Receipt Signature

_____

Print Name

[KEEP THIS RECEIPT FOR YOUR RECORDS]

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 Wise Coatings Franchises LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by your state applicable law. Applicable state laws in Michigan requires us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires us to provide the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Wise Coatings Franchises LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A. Wise Coatings Franchises LLC's agents for service of process are listed in Exhibit B.

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D.	Telephone Number and Website URL Assignment Agreement	J.	State-Specific Addenda
E.	Confidentiality and Nondisclosure Agreement	K.	State Effective Dates
F.	Financial Statements	L.	Receipts

Please sign and print your name below, date and return one copy of this receipt to Wise Coatings Franchises LLC and keep the other for your records.

_____
Date of Receipt

_____
Signature

_____
Print Name

(individually and as an officer of)

_____
(Name of corporation, LLC, or partnership)

_____ A corporation
_____ A Limited Liability Company
_____ A Partnership

[RETURN THIS COMPLETED FORM TO WISE COATINGS FRANCHISING, LLC
108 COMMERCE STREET, SUITE 105, LAKE MARY, FL 32746]