

## FRANCHISE DISCLOSURE DOCUMENT



### SP FRANCHISING LLC

a Delaware limited liability company  
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This disclosure document offers SpeedPro Studio franchises. A SpeedPro Studio sells premium, large format printing and related services, including removal, installation, consulting, site evaluation, graphic design, finishing production services and technology driven smart signage, interior and exterior digital displays to business clients.

The total investment necessary to begin operation of a SpeedPro Studio ranges from \$234,860 to \$350,186. This includes \$24,750 to \$184,275 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Paul Brewster or Lori Morris at 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112 and (844) 274-4784.

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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: April 3, 2025

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION                                                                                 | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How much can I earn?</b>                                                              | 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 <b>Exhibit G</b> . |
| <b>How much will I need to invest?</b>                                                   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.                                                                          |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or <b>Exhibit C</b> includes financial statements. Review these statements carefully.                                                                                                                                                                     |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.                                                                                                                                                                      |
| <b>Will my business be the only SpeedPro Studio business in my area?</b>                 | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.                                                                                                                     |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.                                                                                                                              |
| <b>What's it like to be a SpeedPro Studio franchisee?</b>                                | Item 20 or <b>Exhibit G</b> lists current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                            |
| <b>What else should I know?</b>                                                          | 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 you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals 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.

**Supplier 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. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a 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 Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Colorado. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Colorado than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make 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.

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  - Ownership and Management Addendum
  - Appendix A – Marks
  - Appendix B – Territory
  - Appendix C – Consent and Agreement of Landlord
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## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” or “us” means SP Franchising LLC, a Delaware limited liability company, the “franchisor”. “You” means the person who buys the franchise. If you are a corporation or other business entity, the provisions of the Franchise Agreement and related agreements apply to you and your owners.

#### Franchisor, Its Predecessors, and Affiliates

We are a Delaware limited liability company that was formed on April 8, 2014. We do business under the name “SpeedPro” and SP Franchising LLC. We do not do business under any other names. Our principal business address is 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112. We have been offering franchises in the United States since May 2014. We are not engaged in any other type of business activity. Our agent for service of process in Colorado is The Corporation Company, 7700 E. Arapahoe Road, Suite 220, Centennial, Colorado 80112. See **Exhibit A** for our agents for service of process in all other states.

We have two predecessors: Speedpro USA, LLC (“**Speedpro USA**”) and Speedpro USA, Inc. (“**Speedpro-TX**”).

Speedpro USA, an Arizona limited liability company, was formed on January 10, 2006, and renamed Grancorp USA, LLC on May 27, 2014. Speedpro USA’s principal place of business was 12807 N. 117<sup>th</sup> Street, Scottsdale, Arizona 85259. From January 2006 to April 2014 Speedpro USA offered franchises that are similar to the franchises we are selling in connection with this Franchise Disclosure Document. Speedpro USA also offered master development agreements under a separate Franchise Disclosure Document, but we do not currently offer master development agreements in this offering or any other offering. If you purchase the right to operate a SpeedPro Studio in an area where we have a master developer, some of the assistance provided to you under the Franchise Agreement will be provided by our master developer. See ITEM 2 for more information on our master developers (“**Master Developers**”).

On April 21, 2014 (“**Acquisition Date**”), we acquired from Speedpro USA all of our original assets, which included Speedpro USA’s then existing franchise agreements and master development agreements (“**Acquisition**”). The asset purchase did not include liabilities incurred by SpeedPro USA (if any) prior to the Acquisition Date, which remain with Speedpro USA.

Speedpro-TX, a Texas corporation, was formed on April 16, 2004, and was renamed Grancorp USA, Inc. in 2014. Based on the information we have, Speedpro-TX’s principal place of business was most recently 12807 N. 117<sup>th</sup> Street, Scottsdale, Arizona 85259. From March 2005 to December 2005, Speedpro-TX offered franchises of the type described in this Franchise Disclosure Document and sold one franchise in the State of Texas. In January 2006, Speedpro USA acquired certain assets from Speedpro-TX and assumed Speedpro-TX’s rights and obligations under its franchise agreement with the Texas SpeedPro Studio franchise.

We have two parents: Fairfield SPF, Inc. (“**Fairfield**”) and SP IP LLC (“**SP IP**”). SP IP is our direct parent. SP IP is a Delaware limited liability company that was formed on April 8, 2014. The principal place of business of SP IP is 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112. In connection with the acquisition described above, SP IP became the owner of the Marks (as defined below). SP IP has licensed to us the right to use the Marks and, in turn, to sublicense the right to use

the Marks to you. SP IP does not offer franchises in this or any other line of business. SP IP is a wholly owned subsidiary of SP Equity.

Fairfield is our ultimate parent. Fairfield is a Delaware corporation that was formed on January 9, 2013. The principal place of business of Fairfield is One Grand Central Place, 60 East, 42<sup>nd</sup> Street, 55<sup>th</sup> Floor, New York, NY 10165. Fairfield acquired all of our outstanding membership units from our former ultimate parent, SP Equity Holdings, LLC (“**SP Equity**”) on March 19, 2017. Fairfield does not offer franchises in this or any other line of business.

Except as discussed above, we have neither operated a business of the type described in this disclosure document, nor offered franchises in any other line of business. Except as disclosed above, we have no predecessors, parents or affiliates.

#### Our Business Activities and the Franchises to be Offered in this State

We offer franchises to operate one or more SpeedPro Studios (referred to as the “**SpeedPro Studio**” or “**Franchised Business**”). If you are an existing SpeedPro franchisee operating a SpeedPro Studio, you may acquire the right to develop and operate an additional SpeedPro Studio, in which case you will be required to sign our then-current franchise agreement (the current Franchise Agreement is attached as **Exhibit B** hereto, the “**Franchise Agreement**”) for each such additional SpeedPro Studio; provided that you will pay a reduced Initial Franchise Fee and Start-Up Fee, as described in ITEM 5. Other than the reduced Initial Franchise Fee and Start-Up Fee, the disclosures in this disclosure document apply to an additional SpeedPro Studio an existing franchisee may develop. We do not offer agreements under which franchisees are obligated to open multiple SpeedPro Studios, however franchisees are encouraged to consider operating multiple SpeedPro Studios if and when they feel they are able to support multiple studios.

You will operate your SpeedPro Studio in a territory identified in your Franchise Agreement. Our standard territory consists of at least 7,000 businesses but generally not more than 8,500.

SpeedPro Studios provide premium, large format printing, reprographic services (reprographic services are reproductions of graphics through electrical means, such as photography, commonly used in catalogs, archives, and the architectural, engineering, and construction industries), and related services, including installation, consulting, site evaluation, graphic design, finishing, production services removal, technology driven smart signage, and interior and exterior digital displays. Most SpeedPro Studios, including yours, operate under the name SPEEDPRO, and use other trade names, service marks, and trademarks that we currently require or may designate in the future (our “**Marks**”). Some of our current franchisees operate under an older Mark “SpeedPro Imaging” but are transitioning to our current Mark, SPEEDPRO. All SpeedPro Studios use our proprietary business system (the “**System**”).

Our System includes: a distinctive exterior and interior SpeedPro Studio design, décor, and color scheme; distinctive fixtures and furnishings; the Marks; our standards, specifications, policies, procedures, and techniques related to the location, establishment, operation, and promotion of a SpeedPro Studio; techniques for designing, producing, installing, and applying large scale prints; inventory and management control procedures; training and assistance; and advertising and promotional programs.

We will train you to operate your SpeedPro Studio. No prior printing or related experience is required.



As a SpeedPro franchisee, you will sell products and services primarily to commercial clients. The market for large scale signage and related products is well developed. You will sell products and services primarily to commercial clients in nearly every industry. You may compete with other franchised and non-franchised digital print and sign shops. Sales are somewhat seasonal in areas that experience significant heat, or cold temperatures, or other forms of seasonal weather that impact demand.

#### Industry-Specific Laws and Regulations

We are not aware of any laws or regulations specific to the printing industry.

### **ITEM 2 BUSINESS EXPERIENCE**

#### Paul Brewster, CFE – President and CEO

Mr. Brewster has been our President since January 2022, and our Chief Executive Officer since October 2022. Previously he served as our Chief Operating Officer from July 2020 until December 2021. Mr. Brewster was our Senior Vice President of Development and Business Consulting from January through June 2020 and our Vice President of Business Consulting from August 2019 until December 2019. From June 2015 until August 2019, Mr. Brewster was Vice President of Franchise Operations for Clockwork Services (One Hour HVAC, Benjamin Franklin Plumbing and Mister Sparky Electric) in Houston, Texas. He is, and has been throughout his tenure with us, located in Centennial, Colorado.

#### Lora (Lori) Morris – Chief Financial Officer

Ms. Morris has been our Chief Financial Officer since January 2022. Previously she served as our Vice President and Controller from September 2020 until December 2021. Prior to that she served as Manager/Partner at Haynie and Company from November 2015 to September 2020 in Littleton, Colorado. She is, and has been throughout her tenure with us, located in Centennial, Colorado.

#### Zachary Meade, CFE – Vice President of Field Support and Training

Mr. Meade has been our Director, Senior Director and Vice President of Field Support and Training since April 2018. He is located in Centennial, Colorado.

#### Steve Ritley, CFE – Vice President of Franchise Development

Mr. Ritley has been our VP of Franchise Development since September 2022. Previously Mr. Ritley served as the Sr. Franchise Development Director for Curio Wellness located in Baltimore, Maryland from August 2021 until September 2022. From October 2013 until August 2021, he served as Sr. Franchise Development Director for FASTSIGNS International located in Carrollton, Texas. He is located in Cleveland, Ohio.

#### Caryn Mahoney – Vice President of Marketing

Ms. Mahoney has been our Vice President of Marketing since October 2023. Before that she was the Director of Marketing for REGO Restaurant Group from May 2021 until October 2023. From September 2020 to May 2021, Ms. Mahoney served as the Director of Marketing for Woodhouse Day Spa in Lakewood, Colorado. From September 2019 to September 2020 she was the Southwest Regional Support Manager for Nothing Bundt Cakes. She is located in Centennial, Colorado.

### Ryan Yates – Senior Director of Support and Vendor Relations

Mr. Yates has been our Senior Director of Support and Vendor Relations since August 2018. He is located in Centennial, Colorado.

### Master Developers

#### William E. Siburg and Ann Siburg

Mr. Siburg and Ms. Siburg have been our Master Developers for the State of Arizona since October 2011 through their ownership of MasterWorks, LLC of Scottsdale, Arizona.

#### Scott Schoner

Mr. Schoner has been our Master Developer for the States of Delaware, Maryland and New Jersey and for the District of Columbia since February 2007 through his ownership of NJ Franchise Development LLC of Piscataway, New Jersey.

#### Ward Martin

Mr. Martin has been our Master Developer for the States of Georgia, South Carolina and North Carolina since October 2008 operating out of Raleigh, North Carolina.

#### Mike Retherford and Denise Retherford

Mr. Retherford and Ms. Retherford have been our Master Developers for the State of Florida since 2015 operating out of Orlando, Florida.

#### Richard Arrington

Mr. Arrington has been our Master Developer for the State of Ohio in the Northeast region and the State of Pennsylvania in the Western region since September 2009 through his ownership of Arrington Capital of Cranberry Township, Pennsylvania. He is also our Master Developer for the State of New York in the Upstate region since June 2020 through Arrington Capital of Cranberry Township, Pennsylvania.

## **ITEM 3 LITIGATION**

On March 26, 2024, we initiated a civil action against a former franchisee and its owner and guarantor who failed to pay fees required under the franchise agreement after abandoning the operation of the franchisee's SpeedPro Studio. The case was *SP Franchising LLC v. Galliamas Holdings, Inc. and Gregory Thomas Ellison*, Case Number 2024-CV-30645, pending in the District Court for Arapahoe County, Colorado. The case was dismissed on October 12, 2024 after the franchisee and guarantor entered into a settlement agreement in which they agreed to pay sums owed.

## **ITEM 4 BANKRUPTCY**

No bankruptcies are required to be disclosed in this item.

## **ITEM 5 INITIAL FEES**

### **Initial Franchise Fee**

You must pay us an initial franchise fee of \$49,500 (“**Initial Franchise Fee**”) when you sign the Franchise Agreement. For each additional SpeedPro Studio you develop, you will pay a reduced Initial Franchise Fee in the amount of \$24,750. The Initial Franchise Fee is nonrefundable, payable in full when you sign the Franchise Agreement and is uniform for all franchises currently being offered except as described below.

In the event you are using funds from your 401(k), IRA or other qualified retirement accounts to purchase your SpeedPro Studio, we may allow you to enter into a Deposit Agreement (**Exhibit I**) and pay a refundable deposit of \$25,000 toward your Initial Franchise Fee when you sign the Deposit Agreement. You will pay the balance of the Initial Franchise Fee on the earlier of (a) receipt of funds from your 401(k), IRA or other qualified retirement accounts; or (b) 30 days from the effective date of the Deposit Agreement. We may extend the payment period at your request if the receipt of funds from your 401(k), IRA or other qualified retirement account is delayed by more than 30 days. You will sign the Franchise Agreement at the time you pay the balance of your Initial Franchise Fee. Upon execution of the Franchise Agreement, the deposit and balance of the Initial Franchise Fee will be non-refundable.

### **Veteran and First Responder Discount**

We offer a reduced non-refundable Initial Franchise Fee of \$39,500 to Veterans of the U.S. Armed Forces and National Guard and to first responders for their first franchise. A “first responder” is a paramedic, nurse, emergency medical technician, police officer, sheriff, or firefighter with specialized training to be one of the first persons to arrive and provide assistance at the scene of an emergency, such as an accident, natural disaster, or other catastrophic events. A first responder can be an employee or volunteer. The reduced non-refundable Initial Franchise Fee is payable in full when you sign the Franchise Agreement.

### **Start-Up Fee**

If you are entering into the Franchise Agreement to develop and operate a new SpeedPro Studio, you must also pay us a Start-Up Fee for a package of equipment and supplies that you will use in the operation of your SpeedPro Studio. The contents of the Start-Up Package are listed in **Appendix E** to the Franchise Agreement. You pay 100% of the Start-Up Fee at the earlier of (a) 90 days after you sign the Franchise Agreement; or (b) the date you sign a lease for your SpeedPro Studio. The Start-Up Fee is nonrefundable upon payment in full and must be paid in certified or immediately available funds. The Start-Up Fee is \$124,775, plus applicable sales tax, for a new SpeedPro Studio and is uniformly charged to all franchisees who are developing a new SpeedPro Studio.

### **Initial Marketing Fee.**

If you are entering into the Franchise Agreement to develop and operate a new SpeedPro Studio, you must also pay us, in a lump sum, a non-refundable Initial Marketing Fee of \$10,000, as payment for us conducting, on your behalf, advertising and marketing campaigns for your SpeedPro Studio. This Initial Marketing Fee is due at the same time as the Start-Up Fee payment. The Initial Marketing Fee is uniformly charged to all franchisees who are developing a new SpeedPro Studio.

**ITEM 6  
OTHER FEES**

| <b>Name of Fee</b>              | <b>Amount<sup>2</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Due Date</b>                          | <b>Remarks</b>                                                                                                                                                                                                                                      |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty Fee <sup>1</sup>        | <p>If developing a new SpeedPro Studio, no Royalty Fee or Minimum Royalty Fee for the first 12 months from the Effective Date of the Franchise Agreement.</p> <p>Beginning the first day of the 13<sup>th</sup> month from the Effective Date of Franchise Agreement, the greater of (a) six percent of the first \$60,000 in Gross Sales earned each month; and four percent of any Gross Sales earned that month in excess of \$60,000 ("<b>Royalty Fee</b>"); or (b) the Minimum Royalty Fee.</p> | Monthly.                                 | See Note 3 for the Minimum Royalty Fee for a new SpeedPro Studio and the Royalty Fee for Transfers.                                                                                                                                                 |
| Marketing Fund Fee <sup>1</sup> | Up to 2% of monthly Gross Sales for your SpeedPro Studio.                                                                                                                                                                                                                                                                                                                                                                                                                                            | Monthly, beginning on the Effective Date | See Note 4 for the Marketing Fund Fee chart for new SpeedPro Studios and Transfers. We reserve the right to change the Marketing Fund Fee upon 90 days prior notice provided that the Marketing Fund Fee will not exceed 2% of monthly Gross Sales. |

| Name of Fee                                | Amount <sup>2</sup>                                                                                                                             | Due Date                                                                                                                                                                                                                                                                                                                 | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology Monthly Fee <sup>1</sup>        | Currently \$350 per month.                                                                                                                      | Unless you are purchasing an existing SpeedPro Studio, this fee is due monthly starting with the 13 <sup>th</sup> month from the Effective Date of the Franchise Agreement. If you are a transferee purchasing an existing SpeedPro Studio, you will pay this fee each month during the term of the Franchise Agreement. | <p>You are required to license and use our designated software system (the “<b>Software System</b>”) in the operation of your SpeedPro Studio and pay us a monthly fee for ongoing technical support, updates and upgrades to that system.</p> <p>The Software System currently includes our basic technology workflow system, five SpeedPro email addresses, our data storage and transfer system and our CRM.</p> <p>The fee for the CRM system will increase if you have more than 1,000 contacts. Currently the fee increases range from \$22 - \$53 depending on the number of contacts in the CRM system.</p> <p>We may change the software included in the Software System or add additional software to the Software System, in our discretion, and we may change the monthly fees from time to time; provided that, the monthly fees will not be increased by more than 10% in any given calendar year.</p> <p>Unless you are purchasing an existing SpeedPro Studio, the first 12 months of the Technology Monthly Fee is included in the Start-Up Fee.</p> |
| Annual Franchisee Convention Fee (If Held) | The convention fee is \$275 but may be increased by us at any time up to \$550. You will also pay your travel, lodging, and expenses to attend. | As incurred.                                                                                                                                                                                                                                                                                                             | Franchisees are required to attend any annual franchise convention we sponsor or hold. You may be required to pay us the then-current convention fee even if you do not attend the convention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| <b>Name of Fee</b>                    | <b>Amount<sup>2</sup></b>                                | <b>Due Date</b>               | <b>Remarks</b>                                                                                                                                                                                                                                                          |
|---------------------------------------|----------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renewal Fee <sup>1</sup>              | \$10,000.                                                | Before Successor Term begins. | We will waive the Renewal Fee if you renew your right to operate the SpeedPro Studio and comply with the renewal terms set out in Section 4B of the Franchise Agreement.                                                                                                |
| Transfer Fee <sup>1</sup>             | \$10,000.                                                | At time of Transfer.          | Payable only in the event of a Transfer.                                                                                                                                                                                                                                |
| Business Training Fee                 | \$2,500.                                                 | At time of Transfer.          | If you purchase an existing SpeedPro Studio from a franchisee, you may be required to pay this fee for our standard Business Training. If you attend our standard Business Training within 90 days of signing your Franchise Agreement, we may agree to waive this fee. |
| Live In-Studio Production Training    | \$2,500.                                                 | Upon demand.                  | If you purchase an existing SpeedPro Studio from a franchisee, and you request live in-studio production training from us, you may be required to pay up to \$2,500 to cover the costs of our trainer, and, if necessary, the trainer's travel to your studio.          |
| Insurance Premium Charge <sup>1</sup> | The cost of insurance premium for our required insurance | As incurred.                  | We may require you to purchase the required insurance from our designated supplier. We may require you to pay the premiums directly to us or our designated supplier. See Note 5 for additional information regarding insurance requirements.                           |

| <b>Name of Fee</b>                                          | <b>Amount<sup>2</sup></b>                                                                                                                                                                                                                          | <b>Due Date</b>                                                                                                                          | <b>Remarks</b>                                                                                                                                                                                                                                            |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance Admin Fee <sup>1</sup>                            | We may require you to obtain your required insurance from our designated suppliers. If we require this, and collect the premium on behalf of a designated supplier, we may charge you an Insurance Admin Fee. We do not currently charge this fee. | Annual.                                                                                                                                  | This fee may change based on costs of the insurance program administration.                                                                                                                                                                               |
| Additional and Advanced Training, Conferences, and Seminars | Costs for instructors, materials, training aids, and expenses                                                                                                                                                                                      | Prior to training or as incurred.                                                                                                        |                                                                                                                                                                                                                                                           |
| Improvements, Updates, and Upgrades <sup>1</sup>            | Cost of improvements, updates, and upgrades                                                                                                                                                                                                        | Promptly upon notice from us.                                                                                                            | See Note 6.                                                                                                                                                                                                                                               |
| Modifications to Marks <sup>1</sup>                         | Varies.                                                                                                                                                                                                                                            | As arranged.                                                                                                                             | See Note 7.                                                                                                                                                                                                                                               |
| Site Selection                                              | Our expenses.                                                                                                                                                                                                                                      | On demand.                                                                                                                               | Payable upon our assessment of suitability of sites. Only payable if your first three potential sites do not meet our site selection criteria and we elect to visit your additional proposed sites.                                                       |
| Indemnification <sup>1</sup>                                | Amount of liability, costs, and expenses.                                                                                                                                                                                                          | Upon demand.                                                                                                                             |                                                                                                                                                                                                                                                           |
| Relocation Costs                                            | Costs and expenses of relocation.                                                                                                                                                                                                                  | When incurred.                                                                                                                           | You are responsible for all costs of relocation, including costs incurred by us (our costs not to exceed \$1,000).                                                                                                                                        |
| Insurance Service Charge <sup>1</sup>                       | The full cost of insurance, plus all costs we incur to secure such insurance for you, not to exceed 20% of the policy premium.                                                                                                                     | Within five days of the date we deliver an invoice detailing our costs and expenses for obtaining the required insurance on your behalf. | If you fail to obtain the required insurance or to keep the same in full force and effect, we may, but are not obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you will pay us the Insurance Service Charge. |

| Name of Fee                                                 | Amount <sup>2</sup>                                                                                                                                                                                              | Due Date     | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alternative Products or Supplier Testing Costs <sup>1</sup> | An amount equal to our costs for reviewing your proposed alternative products including any proposed changes in, or deviations from, approved products or suppliers.                                             | On demand.   | If you request that we permit you to purchase a product from an unapproved supplier, or a product that does not meet our specifications, we can require you to reimburse us for the expenses we incur evaluating your request.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Late Fee                                                    | \$100 unless you have been delinquent in submitting a report, or payment to us three (3) or more times in the previous twelve (12) month period, in which case the Late Fee is \$200, subject to applicable law. | Upon demand. | Payable if any report, Royalty Fees, Minimum Royalty Fees, Marketing Fund Fees or other fees are paid after the due date. If you do not submit when due the required reports necessary to calculate the amount of fees due to us for a specific month we have the right to withdraw from your account an amount we determine approximates the amount of Royalty Fees, Minimum Royalty Fees, Marketing Fund Fees or any other amounts you owe based on information regarding your prior month's Gross Sales, the most recent Gross Sales report submitted by you, or Gross Sales data we access in your system. We may also withdraw the amount of any late fee and accrued unpaid interest you owe. This withdrawal does not relieve you of the obligation to pay all amounts owed. If our approximation results in us withdrawing more than you owe, then the excess money collected will be returned to you. |
| Interest <sup>1</sup>                                       | 18% or maximum rate permitted by law, whichever is less, on all amounts not paid when due.                                                                                                                       | Upon demand. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| Name of Fee                                         | Amount <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Due Date                                                                               | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit and Inspection Related Expenses <sup>1</sup>  | Audit-related costs and expenses if an audit reveals an understatement of Gross Sales of 2% or greater. Then current mystery shopper expenses if used and if issues are identified. Current mystery shopper expenses are \$200 per visit.                                                                                                                                                                                                                                                 | Upon demand.                                                                           | See Note 8.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Termination Payment                                 | The average of all Royalty Fee payments and/or Minimum Royalty Fee payments (as the case may be) paid by you or your predecessor (if you purchased your studio from a prior franchisee less than 12-months before the termination) to us during the 12-month period preceding the effective date of termination, multiplied by the lesser of (a) 36 months; or (b) the number of months remaining in the term of the Franchise Agreement had the Franchise Agreement not been terminated. | Within 15 days after the effective date of the termination of the Franchise Agreement. | If the Franchise Agreement is terminated by you for any reason (except as provided for in Section 13C) or by us due to your breach, you must pay us, in addition to any other amounts owed hereunder, the Termination Payment. If your SpeedPro Studio has been operating for less than 12 months at the time of the termination, your Termination Payment will be based on the average system-wide Royalty Fee and/or Minimum Royalty Fee for the previous 12 months. |
| Liquidated Damages for Client Poaching <sup>1</sup> | Twice the total revenue you receive from the client that you solicited away from us, our affiliate or our franchisee.                                                                                                                                                                                                                                                                                                                                                                     | On demand.                                                                             | Payable if you solicit business or induce any active client to alter, terminate or breach its contractual or other business relationship with us, our affiliate or our franchisee or otherwise divert or attempt to divert any business or any active client of any SpeedPro Studio.                                                                                                                                                                                   |

Notes:

1. These fees are uniformly imposed by, payable to and collected by us.
2. All fees are nonrefundable unless otherwise stated.
3. **“Gross Sales”** means all receipts or receivables at or from the SpeedPro Studio and revenues from any source arising out of the operation of the SpeedPro Studio whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, barter, property,

donations, sponsorships or other means of exchange. Gross Sales includes the selling price of gift certificates and insurance proceeds for loss of profit or business or for damaged goods. Each installment sale and credit charge will be treated as having been received in full at the time the charge or sale is made, regardless of when you actually receive payment. Gross Sales do not include the amount of sales tax or similar tax imposed by any federal, state, municipal, or other government authority that you collect and properly remit to the taxing authority. They also do not include the amount of any returns, refunds, or allowances, or that part of the sales price satisfied by a deposit or gift certificate if the deposit or gift certificate has previously been included in Gross Sales.

#### **Royalty Fee**

| <b>Royalty Fee Percentage of Gross Sales</b> | <b>Range of Gross Sales</b>                                             |
|----------------------------------------------|-------------------------------------------------------------------------|
| 6.0%                                         | On the first \$60,000 in Gross Sales received each month                |
| 4.0%                                         | On all Gross Sales in excess of \$60,000 received in a particular month |

#### **New SpeedPro Studios**

For new SpeedPro Studios, you will not pay a Royalty Fee or Minimum Royalty Fee for the first twelve months from the Effective Date of your Franchise Agreement. During the period starting with the beginning of the 13<sup>th</sup> month and ending at the end of the 24<sup>th</sup> month, you will pay a Royalty Fee stated above, but no Minimum Royalty Fee. After the end of the 24<sup>th</sup> month you will pay the greater of the Royalty Fee stated above, or the applicable Minimum Royalty Fee stated below:

#### **Minimum Royalty Fee**

| <b>Month from Effective Date of Franchise Agreement</b> | <b>Minimum Royalty Fee</b> |
|---------------------------------------------------------|----------------------------|
| Month 25 – Month 36                                     | \$500                      |
| Month 37 – Month 48                                     | \$750                      |
| Month 49 – Month 60                                     | \$1,000                    |
| All months after Month 60 for the remainder of the Term | \$1,500                    |

### **Transferees**

If you purchase your SpeedPro Studio through a Transfer from a prior franchisee with which you have no affiliation, during the first twelve months after the Effective Date of your Franchise Agreement, you will pay the Royalty Fee stated above, but no Minimum Royalty Fee. After the first twelve months, you will pay the greater of the Royalty Fee stated above, or the applicable Minimum Royalty Fee stated below:

#### **Minimum Royalty Fee**

| <b>Month from Effective Date of Franchise Agreement</b> | <b>Minimum Royalty Fee</b> |
|---------------------------------------------------------|----------------------------|
| Month 13 – Month 24                                     | \$500                      |
| Month 25 – Month 36                                     | \$750                      |
| Month 37 – Month 48                                     | \$1,000                    |
| All months after Month 48 for the remainder of the Term | \$1,500                    |

4.

#### **Marketing Fund Fee for New SpeedPro Studios and Transferees**

For new SpeedPro Studios and for transferees, beginning on the Effective Date, you will pay the Marketing Fund Fee as set forth below.

| <b>Monthly Gross Sales Range</b> | <b>Your Marketing Fund Fee</b> |
|----------------------------------|--------------------------------|
| \$0-\$20,000                     | 1.75%                          |
| \$20,001 - \$40,000              | 1.5%                           |
| \$40,001 - \$170,000             | 1.25%                          |
| \$170,001 and greater            | .75%                           |

We reserve the right to change the tiers or remove the tiers altogether upon 90 days prior notice to you. In no event will the monthly Marketing Fund Fee exceed 2% of Gross Sales.

5. The insurance coverages required by this Franchise Agreement must indemnify us from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon your ownership, development or operation of the Franchised Business; your breach of any applicable law, regulation or rule; or your breach of any provision of the Franchise Agreement. These obligations survive the termination of the Franchise Agreement.

6. In addition to maintaining the equipment you use to provide products and services to customers, you must regularly clean and maintain the SpeedPro Studio location, and you must replace worn out or obsolete fixtures and signs. When necessary, you must repair the interior and exterior, and periodically redecorate. If at any time the general state of repair, appearance of cleanliness of the SpeedPro Studio location does not meet our standards, we will notify you and ask you to cure the deficiency. If you fail to cure the deficiency, we may enter onto the SpeedPro Studio premises and have the repairs or maintenance performed at your expense.
7. If we designate new, modified, or replacement Marks for you to use, you must pay your own expenses to implement the required changes.
8. If any audit or examination reveals that you have underreported Gross Sales by 2% or more, you must promptly pay all fees due on the unreported amount plus interest and reimburse us for all expenses we incurred in connection with performing the audit or examination. We may also require that you permit us to access your database and books and records at any time for the review and transmission of financial information. Examinations may include the use of a "mystery shopper." We may hire various vendors to conduct the "mystery shopper" program. If you fail an evaluation by us or by a mystery shopper or if we receive a specific client complaint, you must pay for the mystery shopper(s) we send to your SpeedPro Studio until the issue is resolved to our satisfaction. The current fee charged by the vendors is approximately \$200 per visit, which you must pay directly to the vendor.

**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 |
|--------------------------------------|-----------|-----------|-------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------|
|                                      | Low       | High      |                   |                                                                                                                            |                               |
| Initial Franchise Fee <sup>(1)</sup> | \$24,750  | \$49,500  | Lump sum          | When you sign the Franchise Agreement.                                                                                     | Us                            |
| Start-Up Fee <sup>(1)</sup>          | \$124,775 | \$124,775 | Lump sum          | Payable the earlier of 90 days after you sign your Franchise Agreement or when you sign the lease for the SpeedPro Studio. | Us                            |
| Initial Marketing Fee <sup>(1)</sup> | \$10,000  | \$10,000  | Lump sum          | Payable when you pay the Start-Up Fee.                                                                                     | Us                            |

| Type of Expenditure                                   | Amount  |          | Method of Payment | When Due                                                                                                                                                                     | To Whom Payment is to be Made                           |
|-------------------------------------------------------|---------|----------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
|                                                       | Low     | High     |                   |                                                                                                                                                                              |                                                         |
| Leasehold Improvements                                | \$3,500 | \$35,000 | As arranged       | As negotiated with your landlord. Leasehold Improvements can be included in rent and amortized over the term of the lease; others choose to pay tenant improvements upfront. | Your landlord                                           |
| Furniture & Fixtures <sup>(2)</sup>                   | \$3,175 | \$6,371  | As Arranged       | Before opening for business.                                                                                                                                                 | Various suppliers                                       |
| Rent and Security Deposit <sup>(3)</sup>              | \$7,500 | \$24,500 | As arranged       | When signing your lease.                                                                                                                                                     | Your landlord                                           |
| Training Travel Expenses <sup>(4)</sup>               | \$4,160 | \$6,240  | As arranged       | When incurred.                                                                                                                                                               | Various suppliers                                       |
| Business Permits and Licenses <sup>(5)</sup>          | \$250   | \$1,600  | As arranged       | Before opening for business.                                                                                                                                                 | Licensing authorities                                   |
| Business Insurance Premiums (one year) <sup>(6)</sup> | \$1,000 | \$2,000  | As arranged       | Before opening for business and monthly thereafter.                                                                                                                          | Insurance company or our designated supplier            |
| Utility Deposits <sup>(7)</sup>                       | \$250   | \$1,200  | As arranged       | When arranging for utilities.                                                                                                                                                | Utility companies                                       |
| Professional Fees <sup>(8)</sup>                      | \$1,500 | \$5,000  | As arranged       | Before opening for business.                                                                                                                                                 | Your attorneys, accountants, or other business advisors |

| Type of Expenditure                                      | Amount                |          | Method of Payment | When Due | To Whom Payment is to be Made                                                                                  |
|----------------------------------------------------------|-----------------------|----------|-------------------|----------|----------------------------------------------------------------------------------------------------------------|
|                                                          | Low                   | High     |                   |          |                                                                                                                |
| Additional Funds for the first six months <sup>(9)</sup> | \$54,000              | \$84,000 |                   |          | Employees, landlord, third party suppliers, attorneys, accountants, business advisors, and insurance companies |
| <b>Total</b> <sup>(10)(11)</sup>                         | \$234,860 – \$350,186 |          |                   |          |                                                                                                                |

Notes:

1. The Initial Franchise Fee, the Start-Up Fee (plus applicable sales taxes) and the Initial Marketing Fee are non-refundable and uniformly imposed. If you purchase additional SpeedPro Studios, the Initial Franchise Fee is \$24,750. If you are a qualified veteran or first responder, your Initial Franchise Fee will be \$39,500. Otherwise, your Initial Franchise Fee will be \$49,500.
2. The figure shown is an estimate for office furniture, storage, fixtures and general business supplies
3. Our SpeedPro Studios typically occupy 2,000 to 3,500 square feet of commercial space. Rental costs vary greatly, and we recommend that you consult with a commercial realtor in your area before signing the Franchise Agreement. The low-end figure is an estimate of your first six months of rent, and assumes that your landlord does not require a security deposit and/or does not charge for the first few months of rent; the high-end figure is an estimate of your first six months of rent and assumes monthly rental costs of \$3,500, and a required security deposit equal to one month's rent. Your required security deposit or rent may be higher than these estimates.
4. You are required to travel to our headquarters for both phases of our initial training program. You must pay for your own travel, meals and lodging expenses. This estimate is for one person to attend the initial training, however, you may elect to have additional attendees. You are responsible for your attendees' travel and living expenses incurred during the initial training. If you are a Transferee, you will pay the Business Training Fee to attend the Business Management Training.
5. The figures in the chart represent the estimated costs of obtaining business permits and licenses. We encourage you to consult with your own attorney who can advise you on identifying and complying with any permit or licensing requirements in the state and local jurisdiction in which you will operate your SpeedPro Studio.
6. Actual insurance premiums will depend on the location of the SpeedPro Studio, local market conditions, your prior loss experience, and the prior loss experience of your insurance carrier. You are currently required, at your cost, to contract with the insurance carrier for such coverage and in such amounts as directed by us, which policy or policies will include

naming us and our affiliates as additional insureds. We reserve the right to adjust these coverages and amounts at any time by amending the Operations Manual. We also reserve the right to require you to purchase such required insurance from a supplier we designate and, if we assist in the collection of premiums, pay the Insurance Admin Fee. See ITEM 8 for information on current required insurance coverage.

7. The amount of required utility deposits varies from location to location.
8. These figures represent the estimated cost of engaging an attorney, accountant, and/or other business and financial advisors to review this disclosure document (including agreements) and to assist you in organizing a business entity to operate your SpeedPro Studio.
9. The figure in the chart reflects the additional funds range we estimate that you will need after your franchise business has opened to pay employee salaries and wages, utilities, legal and accounting fees and other expenses during the initial six-month phase of your SpeedPro Studio's operations. The figure in the chart above does not include any amount for debt service. Your actual costs will depend on a number of factors, including how much you follow our methods and procedures; local economic conditions, prevailing wage rates, the local market for our services and products, competition, and your own business acumen, skill and experience. These estimates do not include anything for your salary or living expenses. Beyond the initial six-month phase addressed in our estimate above, we also recommend but do not require that you be prepared to invest approximately \$125,000 for a flatbed printer after your sales are consistently above \$30,000 per month.
10. In preparing these estimates, we relied on the experience of our franchisees in operating SpeedPro Studios in the United States. The figures in the chart are startup estimates only. We cannot guarantee that you will not have to incur additional expenses in starting the Franchised Business.
11. All expenditures are non-refundable unless specifically noted otherwise.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

In order to ensure a uniform image and uniform quality of products and services throughout the SpeedPro System, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must approve any location you select for your SpeedPro Studio and the form of your lease, if you rent the location (see Item 11). The landlord may be required to execute our standard form of Consent and Approval of the Lease in connection with any lease for the location, a copy of which is attached to the Franchise Agreement as **Appendix C**. You must construct and equip your SpeedPro Studio in accordance with our then current approved design, specifications and standards. In addition, it is your responsibility to ensure that your SpeedPro Studio plans comply with all applicable federal, state and local laws.

You also must use equipment (including imaging and printing equipment and hardware and software systems), signage, fixtures, furnishings, products, supplies and advertising materials that meet our specifications and standards. At the time you renew your right to operate the SpeedPro Studio, you must make such improvements and remodel and upgrade your SpeedPro Studio, as we may reasonably require at the time of your renewal to bring it into compliance with the then-current standards set out in our Brand Standards Manual (taking into consideration the cost of the modernization). An upgrade or remodel investment will be not less than \$5,000 but not more than

\$20,000.

### Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers, insurers and distributors (“**Approved Suppliers List**”) and a list of approved inventory, products and equipment (such as your imaging and printing equipment and supplies), fixtures, printing supplies, and other items or services necessary to operate the SpeedPro Studio (“**Approved Supplies List**”). The Approved Supplies List may identify the specific manufacturer or supplier of a specific product, services or piece of equipment. We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or an affiliate may be that single source.

As of the date of this Disclosure Document, we provide to you all the equipment and printing supplies you need to open your SpeedPro Studio in the Start-Up Package, which includes computer hardware and the Software System, and other printing supplies you will need for the operation of the SpeedPro Studio. The contents of the Start-Up Package are listed in **Appendix E** to the Franchise Agreement, which is attached to this disclosure document as **Exhibit B**. You are required to purchase the Start-Up Package from us. The Start-Up Fee for the new SpeedPro Studios is \$124,775. We are the only approved supplier for the Start-Up Package.

In addition, we are currently the sole supplier of the Software System that you are required to use in the operation of your SpeedPro Studio. The initial cost of the Software System is included in your Start-Up Fee. The Software System includes our basic technology workflow system (currently CoreBridge), five SpeedPro email addresses, our data storage and transfer system (currently ShareFile) and the CRM System (currently Active Campaign). You will be required to pay us the Technology Monthly Fee for the license to use the Software System, and for technical support and updates to the Software System. Such fee may increase from time to time, upon 60 days’ notice from us. We may also change the Software System from time to time. In the future, you may be required to purchase or lease other proprietary software from us, an affiliate of ours, or from a third party designated by us.

Finally, we will provide you with advertising and marketing tools for your SpeedPro Studio. You will pay the Initial Marketing Fee for such services, which may include marketing collateral, traditional marketing (Direct Mail), and online marketing (PPC, Display Ads, Social Media Ads, and Email Campaigns).

Our Approved Supplies List also may include other specific products without reference to a particular manufacturer or supplier, or it may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem necessary.

Except for any products, supplies or materials for which we designate a single source approved supplier, if you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier’s facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. There is no stated fee for processing a request, but you may be asked to pay the cost of reviewing any proposed changes in, or deviations from, approved products or suppliers, including our cost of product or supplier evaluation. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. We may revoke our approval and provide you with written



notice of such revocation. Our supplier approval procedure does not obligate us to approve any particular supplier. We will endeavor to notify you of our approval or disapproval of any proposed supplier within 30 days after we receive all necessary information to complete the inspection and evaluation process. We are not required to make available to you or to any supplier our criteria for product or supplier approval that we deem confidential.

### Advertising and Promotion

All of your advertising must be conducted in a dignified manner, must be completely accurate and truthful, must conform to all applicable laws and regulations relating to consumer advertising, must conform to such standards and requirements as we may specify from time to time in writing, must give notice that the SpeedPro Studio is independently owned and operated, and must be approved by us in advance. We will provide you with a number of template advertisements for use in various media. If you wish to use an advertisement that we have not provided and that has not been previously approved by us, you must submit it to us for approval. The approval of advertising will be made on a case-by-case basis; but we will not unreasonably withhold our approval.

Only domain names and URLs approved by us will be permitted. You must submit the suggested domains and/or URLs to us in advance of your use. We will buy and own those domains and URLs and license them to you for use in association with the SpeedPro Studio only once approved. You are not allowed to own any domain name or URL used in association with your SpeedPro Studio.

### Insurance

You must obtain and maintain insurance as we may specify in the Operations Manual, in addition to any other insurance you choose to purchase, or that may be required by applicable law, or by any lender or lessor. The following is a list of the required insurance coverage (applicable whether you own or lease the premises for your SpeedPro Studio) including minimum limits of coverage as of the date of this Franchise Disclosure Document:

| Coverage                   | Minimum Limits of Coverage                                                                                                 |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| General Liability          | \$1,000,000 per occurrence; \$2,000,000 aggregate; you must include coverage for leased premises as needed.                |
| Garage Keepers Liability   | Minimum of \$100,000; required if you work on client automobiles.                                                          |
| Property                   | Replacement cost value of property; required if you own the building or premises in which your SpeedPro Studio is located. |
| Business Personal Property | Replacement cost value of property.                                                                                        |
| Hired & Non-Owned Auto     | \$1,000,000.                                                                                                               |
| Commercial Auto            | \$1,000,000; required if you own automobiles.                                                                              |
| Workers Compensation       | Statutory Limits (will vary by state); required if you have employees and such insurance is required by the state.         |

Additionally, you are required to obtain other insurance and types of coverage that may be required by the terms of any lease or sublease for the SpeedPro Studio or that we may require from time to time in the Operations Manual.

In addition to the required coverages described above, we also recommend you purchase the following coverages:

| Coverage                     | Suggested Limits of Coverage   |
|------------------------------|--------------------------------|
| Umbrella                     | \$1,000,000.                   |
| Business Income Interruption | As desired for loss of income. |

We may require you to purchase insurance from our designated insurance broker. If we require you to purchase insurance from our designated insurance broker we may charge an Insurance Admin Fee.

All insurance policies must name us as an additional insured. To verify you have obtained all of the insurance policies we require, you must send to us via email (to [admin@speedpro.com](mailto:admin@speedpro.com)) the corresponding certificates of insurance within 30 days of obtaining all such policies. You cannot open your SpeedPro Studio until you have obtained all the required insurance coverage. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost of such coverage plus interest and our related expenses. We have the right to increase the minimum coverage, decrease the maximum deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We will give you at least 30 days' written notice.

We may require you to purchase insurance from an insurer, or insurers, we designate. If we collect and/or remit premiums to a designated insurer on your behalf we may charge an insurance service charge.

The required minimum insurance coverages identified here may or may not be sufficient to adequately protect the Franchised Business. You should consult with an insurance broker to determine if additional coverage is recommended, and, if so, obtain all coverage you and your broker determine is appropriate to protect the Franchised Business.

### Rebates

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this ITEM 8, as well as in connection with any future purchase of any goods, products or services. Most of these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor. We also may derive revenue from any items we sell directly to you in the future by charging you more than our cost.

In the fiscal year that ended on December 31, 2024, our affiliates did not derive any revenue, rebates or other material consideration based on franchisees required purchases or leases.

In the fiscal year that ended on December 31, 2024, we derived \$75,704 in revenue from vendors or suppliers based on purchases or leases made by our franchisees, which represents 0.9% of our total revenues of \$8,653,481.

We are currently the sole supplier of (i) the Start-Up Package and (ii) the Software System (See ITEM 5). In the fiscal year that ended on December 31, 2024 we derived \$1,259,100 in revenues from

serving as a supplier to our franchisees, which represents approximately 14.6% of our total revenues of \$8,653,481.

Some of our officers and directors own an indirect interest in us. None of our officers or directors owns an interest in any other supplier.

We estimate that the cost of goods purchased in accordance with the specifications described above will represent approximately 36% to 53% of your initial investment to commence the operation of your SpeedPro Studio (the exact percentage will depend upon the amount of your other variable start-up expenses), and approximately 1% of the cost of all purchases and leases you incur in operating your SpeedPro Studio.

Except for the Start-Up Package, the Software System, and the Initial Marketing, described above, you are not required to purchase any goods or services from us or our affiliates, but we reserve the right to require you to purchase additional goods and/or services from us or our affiliates in the future. We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. We may negotiate purchase arrangements, such as volume discounts, with some of our approved suppliers for the benefit of our franchisees and the System (but not on behalf of individual franchisees). Except as described above, you are not required to purchase any goods or services from any particular supplier. There are currently no purchasing or distribution cooperatives, but we reserve the right to create such cooperatives in the future and require you to participate.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

**The following 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.**

|    | <b>Obligation</b>                                          | <b>Section in Franchise Agreement</b> | <b>Item in Disclosure Document</b> |
|----|------------------------------------------------------------|---------------------------------------|------------------------------------|
| a. | Site selection and acquisition / lease                     | Sections 2A, 2B and 5A,               | Items 7 and 11                     |
| b. | Pre-opening purchases / leases                             | Sections 5A, 5E, 6A-6D, 6J and 6K     | Items 5, 7 and 8                   |
| c. | Site development and other pre-opening requirements        | Sections 5A and 5B                    | Items 7, 8 and 11                  |
| d. | Initial and ongoing training                               | Sections 7B-7C and 7E                 | Items 6 and 11                     |
| e. | Opening                                                    | Sections 2C and 5A                    | Item 11                            |
| f. | Fees                                                       | Sections 9A-9F                        | Items 5, 6 and 7                   |
| g. | Compliance with standards and policies / Operations Manual | Sections 6A-6N                        | Items 6, 7, 8, 11, 15 and 16       |
| h. | Trademarks and proprietary information                     | Sections 3A-3E, 6E, GH, and 6N        | Items 13 and 14                    |

|    | <b>Obligation</b>                                   | <b>Section in Franchise Agreement</b> | <b>Item in Disclosure Document</b> |
|----|-----------------------------------------------------|---------------------------------------|------------------------------------|
| i. | Restrictions on products / services offered         | Sections 2D, 6A-6C and 6K             | Items 6, 7, 8, 11, and 16          |
| j. | Warranty and customer service requirements          | Section 6B and 6C                     | Items 6 and 8                      |
| k. | Territorial development and sales quotas            | Sections 2A, 2B, and 2D               | Item 12                            |
| l. | Ongoing product/service purchases                   | Sections 6A-6D                        | Items 6, 7 and 8                   |
| m. | Maintenance, appearance and remodeling requirements | Sections 5B-5E                        | Items 8 and 11                     |
| n. | Insurance                                           | Section 10C                           | Items 6, 7 and 8                   |
| o. | Advertising                                         | Sections 8A-8D, 9C, 9E and 9F         | Items 6, 7, 8 and 11               |
| p. | Indemnification                                     | Section 10B                           | Item 6                             |
| q. | Owner's participation management/ staffing          | Sections 7A-7E;                       | Items 11 and 15                    |
| r. | Records / reports                                   | Sections 9G, 9J and 9K                | Item 11                            |
| s. | Inspections / audits                                | Sections 5A-5C, 6G and 9L, 9M         | Items 6 and 11                     |
| t. | Transfer                                            | Sections 11A-11H                      | Items 6 and 17                     |
| u. | Renewal                                             | Section 4B                            | Items 6 and 17                     |
| v. | Post-termination obligations                        | Sections 14A-C                        | Item 17                            |
| w. | Non-competition covenants                           | Section 10D, 10E and 10F              | Item 17                            |
| x. | Dispute resolution                                  | Section 12                            | Item 17                            |
| y. | Other                                               | Not Applicable                        | Not Applicable                     |

## **ITEM 10 FINANCING**

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

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

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

If your SpeedPro Studio will be located in a Master Developer's development area, most of these services shall be provided by your Master Developer. The Master Developer receives a portion of the Initial Franchise Fee and 50% of the royalty payments in exchange, in part, for providing these services.

Pre-Opening Assistance.

Before you open your SpeedPro Studio, we, your Master Developer or our approved vendor will:

1. Approve the location of the SpeedPro Studio (see *Location of the Franchised Business*, below) and provide you general building, design and construction requirements for your SpeedPro Studio (as necessary). Our requirements will not include, but will be in addition to, any federal, state, or local law, code, or regulation for Your SpeedPro Studio including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor will our suggestions include the requirements for obtaining permits or authorizations to build-out your SpeedPro Studio. It is your responsibility to know and comply with all federal, state and local laws, codes and regulations, including those relating to permits and authorizations needed to build out your SpeedPro Studio. (Franchise Agreement Sections 5.A and 5.B);
2. Sell and deliver to you the applicable Start-Up Package for your SpeedPro Studio. The manufacturers of the required equipment from the Start-Up Package will perform all installation at your approved location. The Start-Up Package contains the equipment and supplies, including your computer hardware and software, necessary to open and operate your SpeedPro Studio in accordance with our approved plans and written specifications (Franchise Agreement Sections 5.A and 9.B);
3. Assist you in reviewing the terms of the lease for your SpeedPro Studio (Franchise Agreement Section 5.A). Our review of your lease (or purchase agreement if you are purchasing your SpeedPro Studio's location) and any advice or recommendations we or your Master Developer may offer are not representations or guarantees by us or your Master Developer that you will succeed at the leased or purchased premises;
4. Provide you with the advertising and marketing programs (Franchise Agreement Section 8.C and 9.C);
5. Provide you with the Approved Suppliers List and Approved Supplies List (Franchise Agreement, Section 6.C);
6. Provide the training programs described below (Franchise Agreement, Sections 7B and 7C); and
7. Loan you an electronic copy of the Operations Manual (the "**Operations Manual**") (or provide electronic access to the Operations Manual), which contains mandatory and suggested specifications, standards, and procedures for the operation of your SpeedPro Studio (Franchise Agreement Section 6.B).

### Typical Length of Time Between Signing the Franchise Agreement and Opening for Business

Generally, it takes four months for franchisees to open their SpeedPro Studio for business (if they are opening a new Studio) after they sign the Franchise Agreement. However, some take more or less time depending on the location and the franchisee. Factors that may affect how long it takes you to open your SpeedPro Studio may include the time it takes to find a location, negotiate a lease, obtain necessary building permits and licenses, complete the build-out, and hire and train your staff. If you are opening a new SpeedPro Studio, you must open your Studio within 180 days of the effective date of your Franchise Agreement (unless we approve an extension of time in writing). If you fail to do so, we have the right to terminate the Franchise Agreement without you having an opportunity to cure and without us having an obligation to refund any fees.

### Ongoing Assistance.

We or your Master Developer will provide the following assistance during the operation of your SpeedPro Studio:

1. Tier One support for printers and workflow in the Software System (currently the CoreBridge POS System);
2. Tier One support for the purchase of inventory and supplies; operating and workflow processes; implementation of new products, services and improvements to the System; and graphics related production;
3. Tier One support for marketing services such as the website and CRM;
4. Maintain and spend the Marketing Fund on behalf of the network (Franchise Agreement, Section 8.A);
5. Provide updates to the Approved Suppliers and Approved Supplies Lists and continue to research and develop new products and services (Franchise Agreement, Section 6.C);
6. Provide access to our Vehicle Template Library if you pay our then-current fee (Franchise Agreement, Section 6.I)
7. Make periodic visits to your SpeedPro Studio as we reasonably determine to be necessary to provide coaching (including without limitation regarding customer service and retention, business development and management, cash flow, sales and marketing, and team culture). (Franchise Agreement, Section 6.G);
8. Provide ongoing training at our headquarters, the Authorized Location or other location we designate, as we determine necessary, and require the Principal Owner, Control Person, general manager (if any) and/or other key personnel of your SpeedPro Studio to attend, at your expense (Franchise Agreement, Sections 7.C and 7.E);
9. Hold franchise conventions and meetings relating to new products or services, new operational systems, procedures or programs, training, SpeedPro Studio management, sales and marketing, or similar topics, as we determine necessary, and require you or the Control Person to attend, at your expense. (Franchise Agreement, Section 7.E); and
10. Provide ongoing communication, training and support and updates to the Operations Manual (Franchise Agreement, Section 6.B).

In addition, we or your Master Developer may, from time to time, make suggestions to you with regard to your pricing policies. Any list or schedule of prices furnished to you may, unless otherwise specifically stated, be treated as a recommendation only and failure to accept or implement any such suggestion will not in any way affect the relationship between you and us. You agree to participate in and report the results of a local pricing analysis no less than once every two years. (Franchise Agreement, Section 6.L)

#### Location of the SpeedPro Studio

You will operate your SpeedPro Studio from a location that you propose and that we approve. We do not generally own any location that would be leased to you. Within 60 days after the Effective Date of your Franchise Agreement, you must provide us or your Master Developer at least three potential sites for your SpeedPro Studio, each of which must comply with our site selection criteria. After you have submitted the three potential sites, we may schedule an on-site evaluation for each of the proposed sites. We or your Master Developer may travel to your market once, at either our expense or your Master Developer's expense, to visit the three proposed locations to determine the suitability of each site. If none of the sites are acceptable, you must provide us or your Master Developer with at least three additional potential locations and we or your Master Developer may travel to your market again, at your expense, to visit the sites. The criteria that we consider in reviewing a site are the visibility of the site, demographics of the surrounding area, ingress and egress capabilities, available electrical power of the site, local competition, and the terms of the proposed lease. We prefer single-story buildings with a vehicle bay door. There is no time limit within which we must approve or disapprove a site that you propose, but in most cases, we approve or disapprove a site within 30 days after reviewing the three potential sites. Within 120 days of the effective date of your Franchise Agreement, you must have secured a suitable site for the SpeedPro Studio with our written approval regarding that site and provided us with a copy of the signed lease agreement. Your failure to do so by that deadline will constitute a default under the Franchise Agreement, for which we will have the right to terminate the Franchise Agreement. You may not purchase or lease a site until we have approved it. You are responsible for final site selection and lease negotiation. (Franchise Agreement Section 5.A).

#### Marketing

Recognizing the value of advertising and marketing to the goodwill and public image of SpeedPro Studios, we have established, administer and control a Marketing Fund (the "Fund"). SpeedPro Studios will be required to contribute to the Fund a Marketing Fund Fee each month (See Franchise Agreement Sections 8.A and 9.E).

All sums paid to the Fund will be maintained in a separate account from our other funds. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. We have the right to make disbursements from the Fund for expenses we incur in connection with the cost of formulating, developing and implementing marketing, sales, advertising, social media and promotional campaigns. Without limiting the generality of the foregoing, the Fund may be used, on a local, regional or national basis for the following purposes: (1) to disseminate broadcast, digital, online, print or other advertising; (2) the creation, development and production of advertising and promotional materials; (3) any marketing or related research, secret shopper, surveys and development, including software for the collection of client reviews, testimonials and recommendations; (4) advertising and marketing expenses, including administrative expenses, product research and development, services provided by advertising agencies, public relations firms or other consultants, researchers, advisors or vendors including sponsorships, partnerships, industry events, development of marketing materials and sales tools, software that supports sales and marketing efforts, development and maintenance of our website, content development, domains,

subscriptions to industry newsletters or magazines and other marketing related expenditures at our discretion; (5) social media, and (6) salaries, benefits and any other payments made to employees or any other individual or entity providing services to the Fund, including our in-house marketing and advertising production team, administrative costs and other operating expenses and overhead to administer the Fund. We will not use any of the Fund for the direct solicitation of franchise candidates, however any marketing materials we produce may include content indicating that franchises are available (Franchise Agreement Section 8.A).

We oversee the Fund programs and determine the use of the monies in the Fund. We are not required to spend any particular Fund contribution amount on marketing, advertising or promotion in the area in which your SpeedPro Studio is located. We do not undertake any obligation to ensure that the Fund expenditures in or affecting any geographic area are proportionate or equivalent to the contributions of franchisees operating in that geographic area. Our corporate and affiliate owned SpeedPro Studios contribute to the Fund in the same amounts required by franchisees in the same area. We periodically provide information regarding marketing activities to the franchise advisory council and Master Developers. We also provide high level review of the Fund to Franchisees and make it available either through communications to the entire franchise network, or by email upon your written request. The Fund is not audited.

The Fund may borrow from us or other lenders to cover deficits, or may invest any surplus for future use on any terms that we determine. We may reimburse us or other lenders for such loans from the Fund. We do not guarantee that expenditures from the Fund will benefit you or any other franchisee directly or on a pro-rata basis. Any amounts that remain in the Marketing Fund at the end of each year accrue and may be applied toward the next year's expenses.

We assume no direct or indirect liability or obligation to you for collecting amounts due to any advertising account. We will not be liable for any act or omission with respect to the Marketing Fund, including but not limited to, maintaining, directing or administering the Marketing Fund or any other advertising account.

During our last fiscal year, which ended on December 31, 2024, the Fund expenses were primarily allocated to the following purposes:

| Category of Spending            | Percentage of Total Expenditures |
|---------------------------------|----------------------------------|
| Lead Nurture & Client Retention | 6%                               |
| Vertical Marketing & PR         | 11%                              |
| Administration                  | 29%                              |
| Website and Digital Marketing   | 52%                              |
| Rollover                        | 2%                               |

All of your marketing and promotion (including through social media) must be conducted in a dignified manner. You must use only such advertising materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we approve or make available, and the materials must conform to our standards and be used only in a manner that we prescribe from time to time (Franchise Agreement Section 8.B). There is no requirement to participate in a local or regional advertising cooperative. Furthermore, any promotional activities



you conduct in the SpeedPro Studio or on the premises used to operate your business are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials or marketing provided that they are current, in good condition, in good taste and accurately depict the Marks (Franchise Agreement Section 8.C).

#### Franchisee Advisory Council

We established a franchisee advisory council (“**FAC**”) to advise us on marketing and advertising programs and other matters involving the System. We share the Marketing Fund budget with the FAC periodically to review spending and planning for future spending. The FAC consists of members of our staff we appoint, and franchisees elected by SpeedPro owners. Members of the FAC serve in an advisory capacity. We have the authority to form, change, or dissolve the FAC.

#### Computer System

You will need a computer system to operate your SpeedPro Studio. The initial cost of the computer system and Software System is \$15,428 and is included in the cost of the Start-Up Package. You must pay us the Start Up Fee of \$124,775 for the Start-Up Package for a new SpeedPro Studio. You will be required to use our designated Software System in the operation of your SpeedPro Studio, which currently includes our basic technology workflow system (currently CoreBridge), five SpeedPro email addresses, our data storage and transfer system (currently ShareFile), our CRM (currently Active Campaign). The computer system includes four computers with operating software specific to the tasks to be undertaken, color monitors, keyboards and mice, cables for the computers and monitors, desktop printer that copies, prints, scans and faxes, Workflow and Point of Sale (“POS”) systems, design software, RIP software, five email addresses, CRM and accounting software.

You will be required to pay us the Technology Monthly Fee for the license to use the Software System and for which we will provide you with technical support, updates and upgrades for the Software System. (Franchise Agreement Sections 6.D and 9.F). You are not required to buy an electronic cash register. (Franchise Agreement Section 6.D). All domain and URL usage must be preapproved and initiated by us. We will then license to you the right to use the domain and URL only in your SpeedPro Studio. Except as approved in advance in writing by us, you must not establish or maintain a separate profile on Facebook, Instagram, LinkedIn, Instagram, Pinterest, Twitter, YouTube or any other social media and/or networking site. We have the right to modify our policies regarding your use of social media. (Franchise Agreement Section 6.I).

In the future, you may be required to purchase or lease the Software System and/or other proprietary software from us, an affiliate or from a third party that we designate. (Franchise Agreement Section 6.D). You also may be required to pay an additional software licensing or user fee in connection with your use of the Software System or other proprietary software. All right, title and interest in the Software System and other software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to specifications we develop. We reserve the right to designate a single source from whom you must purchase the Computer System. Except as disclosed above, you are not required to enter into any ongoing maintenance or support agreement, but you may find it advantageous to do so for other software applications that you will use. The annual cost of your computer system, excluding the Technology Monthly Fee, but including maintenance, updating, upgrading or support services will range from \$1,681 to \$4,231.

You will use your Computer System including your POS to collect and maintain information about clients of your SpeedPro Studio including records, lists and customer contact information, prepare proposals and invoices, maintain the financial records of the SpeedPro Studio, access Internet sites, and communicate with prospective and current clients, suppliers, us, and others via e-

mail (Franchise Agreement Section 6.D). We own all client data and may use the same as we deem appropriate. (Franchise Agreement Section 6.E). We will have the right at all times to access your Computer System to retrieve, analyze and use any information relating to your Franchised Business (Franchise Agreement Sections 6.D and 6.E). You must, at all times, have at your SpeedPro Studio's location internet access with a form of high-speed broadband internet connection at our then-current minimum bandwidth specification and you must maintain: (a) an email account for our direct correspondence with the Control Person; and (b) a separate email account for the SpeedPro Studio (Franchise Agreement Section 6.D).

You are contractually required to upgrade or update your Computer System during the term of the Franchise Agreement (Franchise Agreement Section 6.D) within 90 days of our notice. There are no limits on the costs you may incur to upgrade or update. Except for our obligations relating to our Software System described above, we are not obligated to provide or assist you to obtain ongoing maintenance, upgrades or updates to your Computer System. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your SpeedPro Studio including all data protection or security laws as well as PCI compliance (Franchise Agreement Sections 6.D and 6.N).

#### System Website

We require you to participate in a website on the internet relating to the System ("**Website**"). You may not operate a separate website for your franchise. We have the right to determine the content and use of the Website and will establish the rules under which franchisees may participate. We will retain all rights relating to the Website and may alter or terminate the Website without prior notice to you. Certain information obtained through your participation on the Website may be considered Confidential Information, including access codes and identification codes. Your right to participate on the Website may be suspended if you are in default and will terminate when the Franchise Agreement expires or terminates (Franchise Agreement Section 6.I).

#### Operations Manual

Attached as **Exhibit D** to this Disclosure Document is the table of contents for our Operations Manual. You must treat the Operations Manual, and other written materials created or approved for use in the operation of the SpeedPro Studio and the information contained in them, as confidential. The Operations Manual will remain our sole property. You will receive access to an electronic version of the Operations Manual when you begin the Initial Training Program. We may, from time to time, revise the contents of the Operations Manual and you must comply with each new or changed standard. The Operations Manual includes approximately 288 pages.

#### Training

After signing your Franchise Agreement, but before your SpeedPro Studio opens for business, we will make available to you your owners (if applicable) and your Control Person, if any, initial training at our headquarters (currently located in Centennial, Colorado) and/or another location designated by us ("**Initial Training Program**"). The Initial Training Program is offered on an as needed basis depending on when new Franchise Agreements are signed. We may, at times, offer the Initial Training Program and other training programs virtually, where the curriculum is taught via distance learning. Our virtual learning platform uses Ring Central, a VOIP digital communications technology for businesses, which includes cameras and microphones to ensure open lines of communication between trainers and attendees for an effective learning experience. (Franchise Agreement Section 7.B).

The Initial Training Program must be attended by an owner of yours who is a Control Person, or, the Control Person and an owner if the Control Person is not an owner. Any other owner may attend the Initial Training Program. Every person who attends the Initial Training Program must complete the Initial Training Program to our satisfaction before you are permitted to open your SpeedPro Studio. The instructional materials used include written resources, such as the Operations Manual, and online teaching resources. The program consists of approximately 137 hours of training. The Initial Training Program includes instruction in the following subjects:

#### INITIAL TRAINING PROGRAM

| Subject                                                                                                             | Classroom Hours | On-the-Job Hours | Location                           |
|---------------------------------------------------------------------------------------------------------------------|-----------------|------------------|------------------------------------|
| Orientation with the CEO                                                                                            | 1               | 0                | Virtual/Online                     |
| Financial Management                                                                                                | 6               | 0                | SpeedPro HQ                        |
| Sales                                                                                                               | 12              | 0                | SpeedPro HQ                        |
| Marketing                                                                                                           | 3               | 0                | SpeedPro HQ                        |
| Leadership, Management & Recruitment                                                                                | 5               | 0                | SpeedPro HQ or Online              |
| Marketing (Prerequisite) Certification Courses                                                                      | 13              | 0                | Online                             |
| Workflow & POS Software System Training                                                                             | 12              | 0                | Online                             |
| Parts, Products & Applications                                                                                      | 2               | 4                | Online and/or Your SpeedPro Studio |
| Business Management Operation Systems                                                                               | 4               | 3                | Online, Your SpeedPro Studio or HQ |
| Printer & Software (Prerequisite) Certification Courses                                                             | 2               | 8                | Online and/or HQ                   |
| Software (Adobe Illustrator, Adobe Photoshop)                                                                       | 4               | 0                | Online and/or HQ                   |
| Software (Print Driver)                                                                                             | 4               | 0                | Online and/or HQ                   |
| Printer Training                                                                                                    | 6               | 0                | SpeedPro HQ                        |
| Color Management                                                                                                    | 2               | 0                | SpeedPro HQ                        |
| Lamination & Mounting                                                                                               | 4               | 0                | SpeedPro HQ                        |
| Print/Cut Graphics & Cut-Only Vinyl                                                                                 | 4               | 0                | SpeedPro HQ                        |
| Print & Mount SpeedPro Studio Graphics                                                                              | 4               | 0                | SpeedPro HQ                        |
| Installations, Tools of the Trade, Practice Producing Prerequisite Orders                                           | 8               | 0                | SpeedPro HQ                        |
| Minimum of three full days spent in a high-production SpeedPro Studio (available and recommended, but not required) | 0               | 24               | Another SpeedPro Studio            |

### INITIAL TRAINING PROGRAM

| Subject                                               | Classroom Hours | On-the-Job Hours | Location                        |
|-------------------------------------------------------|-----------------|------------------|---------------------------------|
| Distributor Training                                  | 0               | 6                | On Site at Your SpeedPro Studio |
| Production Training After Your Equipment is Delivered | 0               | 20               | On Site at Your SpeedPro Studio |
| <b>TOTAL</b>                                          | 96              | 41               |                                 |

#### Training for Transfers

##### Business Training for Transferees

If you purchase your SpeedPro Studio from another franchisee (a “**Transfer Franchisee**”) you and your Control Person will be required to attend Business Training at our headquarters and pay the Business Training Fee (Franchise Agreement Sections 11.C and 11.G).

The Business Training consists of a total of approximately 62 hours of training and includes instruction in the following subjects:

### BUSINESS TRAINING FOR TRANSFER FRANCHISEES

| Subject                                        | Classroom Hours | On the Job Hours | Location                       |
|------------------------------------------------|-----------------|------------------|--------------------------------|
| Orientation with the CEO                       | 1               | 0                | Virtual/Online                 |
| Parts, Products, and Applications              | 2               | 0                | SpeedPro HQ                    |
| Financial Management                           | 6               | 0                | SpeedPro HQ                    |
| Sales                                          | 12              | 0                | SpeedPro HQ                    |
| Marketing Training                             | 3               | 0                | SpeedPro HQ                    |
| Marketing (Prerequisite) Certification Courses | 13              | 0                | Online                         |
| Leadership, Management & Recruitment           | 6               | 0                | SpeedPro HQ                    |
| Workflow & POS Software System Training        | 12              | 0                | Online                         |
| Business Management Operation Systems          | 4               | 3                | SpeedPro Studio or SpeedPro HQ |
| <b>TOTAL</b>                                   | 59              | 3                |                                |

#### Production Training

If you acquire a SpeedPro Studio as a Transfer Franchisee, an owner of yours who is a Control Person, or, the Control Person and an owner if the Control Person is not an owner will be required to be trained on the use of the SpeedPro Studio equipment. You may receive this training from the

transferor, at SpeedPro headquarters or through Live In- Studio Production Training. This training consists of approximately 5 days of training. If you choose Live In Studio Production Training, the fee for such training is \$2,500. However, if you attend this training within 90 days of signing your Franchise Agreement, we may waive the fee. (Franchise Agreement Sections 11.C and 11.G).

Our instructors have the following experience:

- Paul Brewster, our President and CEO, has 18 years of franchise experience in the large-format printing, home services and real estate industries as well as another 13 years' experience in Healthcare Foundation and Hospital Administration.
- Lori Morris, our Chief Financial Officer, has 34 years of accounting experience 4 years of which have been in franchising. Lori holds her CPA license in the State of Colorado.
- Ryan Yates, our Senior Director of Support and Vendor Relations, has over 25 years of experience in the sign and graphic industry and joined SpeedPro as Production Support Manager in August 2016. Ryan leads our support team and supports our production-based trainings in our state-of-the-art in-house facility. He has extensive knowledge on various printers, cutters, routers, RIP software and graphic-based production tools.
- Zachary Meade, our VP of Field Support and Training, has 31 years of combined experience in management consulting, sales, business coaching and executive recruitment. He has worked in both the U.S. and Europe for Fortune 100 companies, as well as start-up organizations. Zach has partnered with clients in industries such as investment banking, information technology, oil & gas, real estate, and consumer lending. He leads the SpeedPro business coaching program, and its success groups initiative, and built our sales and leadership training modules.
- Caryn Mahoney, our Vice President of Marketing, is a marketing expert with 13 years of marketing experience and franchise experience with multiple brands including Quiznos, Taco Del Mar, Woodhouse Day Spa, and Nothing Bundt Cakes. She has a proven track record in managing successful marketing programs and excels in specialties such as digital media, SEO, and PR. Additionally, Caryn has extensive experience as a media buyer in the retail, events, and media industries, having worked with companies including Miller International and Active Interest Media.
- Amanda Heupel, our Senior Support Specialist, has 20 years of experience in the sign and graphics industry with SpeedPro and FastSigns and a degree in graphic design. She provides production support and training to our Owners and their staff.

If you operate a SpeedPro Studio in an area served by a Master Developer, the Master Developer will provide all necessary follow-up training. (See Item 2 for the background and experience of our Master Developers). We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training.

Except as noted above for Business Training and Live In Studio Production Training for Transfer Franchisees, we do not charge a separate training fee, but you are responsible for paying the costs of travel, lodging, food, and compensation for you and your employees during the Initial Training Program.

The Initial Training Program and Business Training Program (for Transfer Franchisees) are mandatory. You and your Control Person (if a separate person) (see Item 15) responsible for the general oversight and management of the SpeedPro Studio must complete the Initial Training Program (or Business Training Program if you are a Transfer Franchisee) before the SpeedPro Studio opens. (Franchise Agreement Section 7.B). However, we do not provide any training to a transferee until the transfer of the SpeedPro Studio is complete. After the Initial Training Program or Business Training Program, you will be responsible for training your employees using training aids that we designate. We periodically may require that previously trained franchisees attend and participate in retraining or refresher courses. We do not currently charge for these retraining or refresher courses, but we reserve the right to charge our then-current training rates for these courses, and you are also responsible for paying the costs of travel, lodging, food, and compensation for you and your Control Person to attend retraining or refresher courses (Franchise Agreement Section 7.C). In addition, you are required to attend our annual franchisee convention (at a location designated by us) and pay our then-current annual convention fee (currently \$275, but such fee may be increased by us at any time, not to exceed \$550), in addition to paying for your travel expenses associated with your attendance of the convention. (Franchise Agreement Section 7.E).

If you are an existing franchisee and you obtain the right to open an additional SpeedPro Studio, the same training requirements as disclosed in this ITEM 11 will apply to you with respect to your additional SpeedPro Studio; provided, that we may (in our discretion) waive or limit certain aspects of your initial training requirements depending on when you last received training.

## **ITEM 12 TERRITORY**

You will operate the SpeedPro Studio at a location that we approve (the “**Authorized Location**”). You may, with our prior written consent, relocate the SpeedPro Studio to a location within the Territory that is acceptable to us. You are responsible for all relocation costs that you incur, and you must reimburse us for any costs that we incur and services that we provide (for example, lease negotiation assistance) in connection with your relocation (your obligation to reimburse us for our costs will not exceed \$1,000).

When you sign the Franchise Agreement, we will identify an area within which you will be permitted to operate your SpeedPro Studio (“**Territory**”). You must locate your SpeedPro Studio within your Territory. The Territory shall include at least 7,000 businesses, but generally no more than 8,500 businesses. The scope of the Territory will be determined by us in our sole discretion. The Territory will be identified in the Summary Pages of the Franchise Agreement and described in terms of geographic boundaries. If the Territory is not identified in the Summary Pages of the Franchise Agreement, the Territory will be determined by us, communicated to you in writing, and will be identified by contiguous zip codes surrounding the SpeedPro Studio.

During the term of the Franchise Agreement, we will neither locate nor grant others the right to establish another SpeedPro Studio in your Territory. However, it will not be an exclusive territory as you may face competition from other channels of distribution or competitive brands that we may control, and we and our affiliates reserve all other rights not specifically granted to you under the Franchise Agreement. There are no conditions for you to keep your rights to the Territory, such as minimum sales quotas or other circumstances that permit us to modify your territorial rights.

### Reservation of Rights.

The license granted to you under the Franchise Agreement does not include (a) any right to sell products or services at any location other than the Authorized Location, (b) any right to sell

products or services through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce) without our prior written approval, (c) any right to sell products or services to any person or entity for resale or further distribution, except for sales to or purchases from sign shops or other wholesale sales as we may approve or establish from time to time, or (d) any right to exclude, control or impose conditions on our development of future franchised, company- or affiliate-owned SpeedPro Studios at any time or at any location regardless of the proximity to your Territory. (Franchise Agreement, Section 2.D).

Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned or affiliate-owned SpeedPro Studios at any location outside your Territory regardless of the proximity of such SpeedPro Studios to your Territory;
- (ii) merge with, acquire, become acquired by or become associated with ("**Merger/Acquisition Activity**") any businesses of any kind (including those in competition with or similar to SpeedPro Studios) anywhere within or outside the Territory; provided that, we will not use the same or similar trademark or service mark if within your Territory, all without compensation to you; and
- (iii) sell and distribute for ourselves and/or license others to sell and distribute through SpeedPro Studios or any other method of distribution, both inside and outside your Territory, products or services that are the same as or different from the products and services offered under the SpeedPro System, and which are offered and distributed under marks different than the Marks. (Franchise Agreement, Section 2.D).




In addition, we and our affiliates have the right both inside and outside your Territory to offer, sell or distribute any proprietary items or other products or services associated with the System (now or in the future) or identified by the Marks, or any other trademarks, service marks or trade names through any distribution channels or methods ("**Alternative Methods of Distribution**"), including, without limitation, regional malls, special events, television, mail order, catalog sales, wholesale sale to unrelated retail outlets, or over the internet or any other form of electronic media (including social media, and social networking platforms). The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce; however, you may engage in social networking on the Internet if you do so in compliance with our guidelines in the Operations Manual, in the Brand Standards Manual, or as we otherwise direct or approve in writing.

You may solicit business anywhere within the United States, but you may not use the Alternative Methods of Distribution described above without first obtaining our prior written approval, and you may not solicit any active clients of any other SpeedPro Studio in violation of our then-current client anti-poaching policy. (Franchise Agreement, Section 10.E). There will be a penalty for violation of our client anti-poaching policy. We and other franchisees may solicit business inside your Territory, and neither we nor other franchisees are required to pay you any compensation for business solicited or performed in your Territory. Subject to compliance with our client anti-poaching policy, client preference will be a priority and you must operate in good faith with all other SpeedPro Studios.

We do not grant you any options, rights of first refusal, or similar rights to acquire additional franchises in the Territory or contiguous territories. We have no present intention to operate or offer franchises for businesses that offer similar products or services under a different trademark, but we are not contractually prohibited from doing so.

### ITEM 13 TRADEMARKS

The Franchise Agreement grants you the right to use the trademark SpeedPro, as well as other trademarks, service marks, trade names and commercial symbols and other Marks that we designate. SP IP has registered the following marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”). SP IP has filed all required affidavits and renewals in connection with the registrations listed below.

| Mark                                                                                | Registration Date | Registration Number |
|-------------------------------------------------------------------------------------|-------------------|---------------------|
|    | July 11, 2019     | 5,975,938           |
|   | December 29, 2009 | 3,730,894           |
|  | January 15, 2015  | 5,004,209           |
| SPEEDPRO                                                                            | MAY 13, 1997      | 2,060,515           |

We and our affiliate, SP IP, also claim common law trademark rights for all of the Marks.

On April 21, 2014, we entered into a License Agreement with SP IP, whereby SP IP granted us a non-exclusive, royalty-free, non-transferable license to use the Marks for purposes of franchising the SpeedPro System in the United States. The License Agreement is for an initial term of 10 years and then automatically renews for additional 10-year terms unless either party provides a notice of non-renewal at least 180 days prior to the expiration of the then-current term. The non-defaulting party may terminate the License Agreement if the other party fails to cure a material breach, due to the other party’s bankruptcy, due to unauthorized transfer of the License Agreement by licensee, or if licensee has received three or more notices of default in any five-year period. In the case of termination of the License Agreement, SP IP will assume all of our rights and obligations under franchise agreements between us and franchisees using the Marks for purposes of franchising the SpeedPro System in the United States.



We are not aware of any agreements currently in effect which significantly limit our right to use or sublicense the Marks in any manner as material to the franchise described in this disclosure document. We are not aware of any effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court relating to the Marks. We are not aware of any pending infringement, opposition, or cancellation proceedings or any pending material litigation involving any of the Marks. We are not aware of any superior prior rights in the Marks or infringing uses of the Marks that could materially affect their use in any jurisdiction or market area.

**Appendix A** to your Franchise Agreement identifies the Marks that you are licensed to use. We have the right to change **Appendix A** from time to time. Your use of the Marks and any goodwill is to our exclusive benefit, and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement.

You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks. We may change the System presently identified by the Marks including the adoption of new Marks, new products, services, equipment or new techniques and you must adopt the changes in the System, as if they were part of the Franchise Agreement at the time of its execution. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense, within the timeframe we prescribe. We will have no liability or obligation as to your modification or discontinuance of any Mark.

You may use our Marks only in connection with operating and promoting your SpeedPro Studio and may only use such Marks according to our standards as stated in the Operations Manual or otherwise provided to you in writing.

You may not use the Marks in your corporate name, and every use of “SPEEDPRO” as a service mark or trade name or other identifier of your SpeedPro Studio must be in conjunction with the suffix or other words or phrases more specifically identifying your SpeedPro Studio in the exact format that we prescribe. You must comply with our requirements, and all requirements imposed by the jurisdiction in which you operate the SpeedPro Studio, concerning fictitious name registration and usage. You may not register any of the Marks as part of any Internet domain name or URL and may not display or use any of the Marks or other intellectual property in connection with any advertising or promotional materials, which we have not previously approved for use.

You must identify yourself as the owner and independent operator of your SpeedPro Studio by placing a conspicuous notice in your SpeedPro Studio stating that “Each SpeedPro Studio is independently owned and operated,” or stating any other similar phrase that we designate, all in the form and places we require. This may include premises notices or prescribed designations on business forms, stationery and contracts.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

**ITEM 14**  
**PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We do not own any patents that are material to our business. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Operations Manual, the content and design of all advertising and sales literature, sales forms, and other writings used in connection with the operation and promotion of the SpeedPro Studios, the design elements of the Marks, and the content and design of the [www.speedpro.com](http://www.speedpro.com) website and any other website developed and maintained by us or on our behalf.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of any patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to any patents or our copyrights. You must notify us promptly of any infringement or unauthorized use of any patents or copyrights used in relation to the SpeedPro Studios of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all trade secret and proprietary information, including the Operations Manual and the training materials including video materials. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to any writing relating to the Operations Manual, all client information and all other copyright material. You must notify us immediately if you learn about an unauthorized use of any proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Operations Manual at your cost.

All ideas, concepts, procedures, techniques or processes concerning your SpeedPro Studio, 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 to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you will assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

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

You may be an individual, corporation, partnership, limited liability company or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as your Principal Owners. In most instances, we will designate your principal equity owners and executive officers, and certain affiliated entities as Principal Owners.

You must have a Control Person, who is an individual with authority to actively direct the business affairs of the SpeedPro Studio, is responsible for overseeing the general management of the day-to-day operations of the SpeedPro Studio and who satisfactorily completes our training, including the Initial Training Program or Business Training Program (for a transfer). The Control Person does not have to be an equity owner of the SpeedPro Studio, but he/she has to have the authority to sign on your behalf all contracts and commercial documents and has to have the authority to provide information and direction to us as we may require.

You are obligated to continuously promote and enhance the SpeedPro Studio including performing sales and marketing activities. If your Control Person leaves your employment or is otherwise terminated, you must immediately hire and train a qualified replacement Control Person, or the Principal Owner must manage the day-to-day operations of the SpeedPro Studio. The SpeedPro Studio must at all times be under the direct supervision of a properly trained qualified Principal Owner or Control Person.

Your Principal Owner or Control Person must attend in person or virtually any annual meeting, convention or conference of franchisees and all meetings relating to new products or services, new operational procedures or programs, training, SpeedPro Studio management, sales or sales promotion, or similar topics, that we offer, at your own expense and as we specify.

All shareholders, officers, directors, partners, members, Control Person and all managers and other employees having access to our proprietary information must execute non-disclosure agreements in a form we accept concurrently with the execution of the franchise agreement. Our current form is attached as **Exhibit E**. We recommend that you require your managers and supervisory personnel and other employees with access to our Confidential Information to execute confidentiality and, where necessary, non-compete agreements in a form that complies with federal and your state law.

Additionally, each of your Principal Owners (as the term is defined in the Franchise Agreement) must sign the form of undertaking and guarantee attached to the Franchise Agreement, pursuant to which they agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement.

## **ITEM 16**

### **RESTRICTIONS ON WHAT FRANCHISEE MAY SELL**

You may offer and sell only those products and services that we authorize for sale and those products and services not prohibited from sale by the terms of the lease of the premises upon which your SpeedPro Studio is located. We have the right to change the types of authorized products and services at any time. (See Item 8). There are no limitations on the clients to whom you may sell except that you may not solicit the business of active clients of another SpeedPro Studio in violation of our client anti-poaching policy (as set forth in the Operations Manual and described in Item 6 and as may be updated or changed from time to time ).

In addition, your SpeedPro Studio may not be used for any purpose other than as authorized by your Franchise Agreement, or by us in writing. Generally, you will be required to sell all products and services that we authorize. However, some of the products and services offered at other SpeedPro Studios may vary slightly from those offered at your SpeedPro Studio, depending on factors like the market, the size of the SpeedPro Studio and market testing. These variations in authorized products and services are determined and established by us in our sole discretion.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**  
**THE FRANCHISE RELATIONSHIP**

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

| Provision |                                         | Section of Agreement  | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------|-----------------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.        | Term of the franchise                   | Summary Pages and 4.A | 10 years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| b.        | Renewal or extension of the term        | 4.B                   | Option to renew for one additional term of ten (10) years each. Subsequent renewals are to be negotiated in good faith with us.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| c.        | Requirements for you to renew or extend | 4.B                   | Your renewal rights permit you to remain a franchisee after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to one renewal term of 10 years. Requirements include: You give us written notice of your decision to renew at least six months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement, which may have materially different terms and conditions from your original contract; you have complied with the remodeling and modernization requirements for your SpeedPro Studio (not less than \$5,000 or more than \$20,000 for the renewal term); you are not in default and have satisfied your obligations on a timely basis; if leasing and are not subject to relocation, you have written proof of your ability to remain in possession of the SpeedPro Studio premises throughout the renewal term, i.e., a signed copy of the lease renewal; you comply with our training requirements; and you and your Principal Owners sign a release. You will pay a renewal fee of \$10,000 prior to the start of the successor term. |
| d.        | Termination by you                      | 13C                   | You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach (subject to applicable state law). However, if the breach cannot reasonably be cured within 30 days, you have the right to terminate the Franchise Agreement if, you send us written notice and we do not commence to cure the default within 30 days of your written notice and continue efforts to cure the breach until completion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| e.        | Termination by us without cause         | No provision          | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| f.        | Termination by us with cause            | 13.A and 13.B         | We can terminate the Franchise Agreement only if you default or fail to comply with your obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Provision |                                                | Section of Agreement                 | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------|------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| g.        | "Cause" defined-curable defaults               | 13.A and 13.B                        | You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; marketing on the Internet or in social media without our approval and failing to cure the default within 24 hours; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your SpeedPro Studio or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| h.        | "Cause" defined-defaults which cannot be cured | 2.A, 5.A, 5.B, 5.F, 9.K., 13.A, 13.B | Non-curable defaults include: any material misrepresentation or omission in your application for a franchise; abandonment; sale of printing-related equipment; loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate; unauthorized use of confidential information; voluntary or involuntary bankruptcy <sup>1</sup> by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors; defaults that materially impair the goodwill associated with any of the Marks; felony or criminal convictions (or plea of no contest); infringement of Marks; intentionally understating or underreporting Gross Sales, royalties or other fees or 2% variance on subsequent audit within a three-year period; failure to open the SpeedPro Studio (if in a new location) within 180 days of date of Franchise Agreement; failure to open the SpeedPro Studio on the Grand Opening Date, failure to execute lease or purchase agreement for SpeedPro Studio within 120 days of date of Franchise Agreement, failure to successfully complete our Initial Training Program, Business Training Program, Live Studio Training Program (if required), unapproved assignments or transfers or multiple defaults or default of the Note past all applicable cure periods. |
| i.        | Your obligations on termination/nonrenewal     | 14.A-14.C                            | Obligations include complete de-identification of the SpeedPro Studio and payment of amounts due; assignment of lease, telephone numbers and all domain and URLs used in connection with the business upon our demand; return of Operations Manual and Confidential Information, proprietary materials and related writings, including client information; right to purchase assets of the SpeedPro Studio (also see (o) and (r) below); and payment of the termination payment in the event of termination with cause (See Item 6).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| j.        | Assignment of contract by us                   | 11.I                                 | No restriction on our right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Provision |                                                            | Section of Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------|------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| k.        | "Transfer" by franchisee – defined                         | 11.A                 | Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| l.        | Our approval of transfer by you                            | 11.B                 | We have the right to approve all transfers but will not unreasonably withhold approval; provided that all conditions to transfer have been satisfied.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| m.        | Conditions for our approval of transfer                    | 11.B-11.D            | Transferee meets all of our then-current requirements for new franchisees, transfer fee paid, all amounts owed by prior franchisee paid, required modernization/upgrade is completed (within 90 days of transfer), Business Training completed, transferee executes then-current form of franchise agreement (modified to reflect that agreement relates to a transfer), required guarantees signed, necessary financial reports and other data on franchise business are prepared and delivered, release signed by you and your owners, full compliance of your obligations under all Franchise Agreements executed between you and us, and other conditions that we may reasonably require from time to time as part of our transfer policies (also see (r) below); provided that certain transfer conditions do not apply to transfers to immediate family members or among Principal Owners. |
| n.        | Our right of first refusal to acquire your business        | 11.F                 | We can match any offer for your SpeedPro Studio assets, and, in the case of a proposed stock sale, we can purchase your SpeedPro Studio assets at a price determined by an appraiser, unless you and we agree otherwise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| o.        | Our option to purchase your business upon termination      | 14.B                 | Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your SpeedPro Studio including the land (provided that, in the event of expiration of Franchise Agreement, you may choose to lease the land to us), building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Qualified appraiser(s) will determine the price as set forth in the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                                                      |
| p.        | Your death or disability                                   | 11.E                 | You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required, and we will not have a right of first refusal. We may act as non-exclusive agent for the sale of your rights under the Franchise Agreement upon terms mutually agreed upon, and we may operate the SpeedPro Studio as long as deemed necessary to prevent interruption in the business and we may compensate ourselves for such services.                                                                                                                                                                                                                                                                                     |
| q.        | Non-competition covenants during the term of the franchise | 10.D                 | No direct or indirect involvement in the operation of any other printing and related services business other than the one authorized in the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Provision |                                                                        | Section of Agreement | Summary                                                                                                                                                                                                                                                                                                                            |
|-----------|------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r.        | Non-competition covenants after the franchise is terminated or expires | 10.D                 | No direct or indirect involvement for two years in any printing and related services business if such business is located (i) at the premises of the former SpeedPro Studio, (ii) within a 50-mile radius of the former SpeedPro Studio, or (iii) within 50 miles of any other business or SpeedPro Studio using the System.       |
| s.        | Modification of the agreement                                          | 15.B                 | No modifications generally, but we have the right to change the Operations Manual and list of authorized trademarks.                                                                                                                                                                                                               |
| t.        | Integration/merger clause                                              | 15.B                 | Only the terms of the Franchise Agreement (including all attachments) are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document (including its attachments) and other agreements may not be enforceable.                                                                    |
| u.        | Dispute resolution by arbitration or mediation                         | 12                   | All disputes must be mediated in the county in which our headquarters are then located (currently, Arapahoe County, Colorado) or at such other place as mutually acceptable and paid for by the party raising the dispute (subject to state law). If mediation is unsuccessful, either party may proceed by filing a civil action. |
| v.        | Choice of forum                                                        | 15.I                 | Civil action must be commenced in United States District Court for the District of Colorado or Arapahoe County District Court, Colorado (subject to state law). See the state-specific addendum attached to this disclosure document as <b>Exhibit H</b> .                                                                         |
| w.        | Choice of law                                                          | 15.H                 | Colorado law applies to all disputes under this Franchise Agreement (subject to applicable state law). See the state-specific addendum attached to this disclosure document as <b>Exhibit H</b> .                                                                                                                                  |

#### <sup>1</sup>Termination on Bankruptcy

A provision in your Franchise Agreement that terminates the franchise on your bankruptcy may not be enforceable under federal bankruptcy law.

### **ITEM 18 PUBLIC FIGURES**

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

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The figures in the Tables 1A-1D below summarize the 2024 financial performances of various SpeedPro Studio franchisees in the System and does not include company or affiliate-owned outlets since there are no affiliate-owned outlets. Specifically, the tables include, for the SpeedPro Studios that met our Reporting Criteria (as defined below), the Average and Median Gross Sales, Average and Median Cost of Goods Sold, Average and Median Gross Profit, Average and Median Gross Margin, Average and Median Expense line items, Average and Median Net Operating Income, Average and Median Add Backs and Average and Median Owner Discretionary Profit for the period between January 1, 2024 and December 31, 2024 (the "Reporting Period"), and the number of SpeedPro Studios that attained or surpassed the average figures for their respective categories and tiers. You should carefully review the explanatory notes below.

### TABLES 1A-1D

#### BASED ON 93 STUDIOS' 2024 PROFIT AND LOSS STATEMENTS

The following expenses represent the major expense items for a SpeedPro Studio and should not be considered the only expenses that a SpeedPro Studio will incur:

#### **TABLE 1A – 1<sup>st</sup> Quartile Studios<sup>1</sup>**

<sup>1</sup> The information in this table is based on data from 24 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 1st Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$4,322,851 to \$945,444.

| Category                               | Average     | % of Sales | # of Studios at or above average | Median      |
|----------------------------------------|-------------|------------|----------------------------------|-------------|
| <b>Gross Sales</b>                     | \$1,698,097 | 100.0%     | 7[29%]                           | \$1,443,470 |
| <b>Expenses</b>                        |             |            |                                  |             |
| Cost of Goods Sold                     | \$460,125   | 27.1%      | 7[29%]                           | \$347,243   |
| Labor Costs (including Owner Payroll)* | \$571,680   | 33.7%      | 8[33%]                           | \$501,679   |
| Facility Lease (Rent)                  | \$70,758    | 4.2%       | 10[42%]                          | \$63,352    |
| Advertising & Marketing*               | \$39,156    | 2.3%       | 8[33%]                           | \$29,939    |



|                                          |                    |              |                |                    |
|------------------------------------------|--------------------|--------------|----------------|--------------------|
| Auto                                     | \$17,332           | 1.0%         | 9[38%]         | \$14,897           |
| General & Administrative*                | \$255,909          | 15.1%        | 8[33%]         | \$226,925          |
| <b>Total Expenses</b>                    | <b>\$1,414,959</b> | <b>83.3%</b> | <b>9[38%]</b>  | <b>\$1,159,983</b> |
| <b>Other Revenue*</b>                    | <b>\$4,283</b>     | <b>0.3%</b>  | <b>5[21%]</b>  | <b>\$0</b>         |
| <b>EBITDA**</b>                          | <b>\$287,421</b>   | <b>16.9%</b> | <b>9[38%]</b>  | <b>\$252,176</b>   |
| <b>Add back: Owner Payroll</b>           | <b>\$158,164</b>   | <b>9.3%</b>  | <b>11[46%]</b> | <b>\$153,232</b>   |
| <b>Owners Discretionary Profit (ODP)</b> | <b>\$445,585</b>   | <b>26.2%</b> | <b>10[42%]</b> | <b>\$395,902</b>   |

**TABLE 1B – 2nd Quartile Studios<sup>1</sup>**

<sup>1</sup> The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 2<sup>nd</sup> Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$1,505,958 to \$550,305.

| Category                                 | Average          | % of Sales   | # of Studios at or above average | Median           |
|------------------------------------------|------------------|--------------|----------------------------------|------------------|
| <b>Gross Sales</b>                       | \$972,669        | 100.0%       | 10[43%]                          | \$896,610        |
| <b>Expenses</b>                          |                  |              |                                  |                  |
| Cost of Goods Sold                       | \$270,395        | 27.8%        | 9[39%]                           | \$228,182        |
| Labor Costs (including Owner Payroll)*   | \$352,365        | 36.2%        | 9[39%]                           | \$332,993        |
| Facility Lease (Rent)                    | \$59,606         | 6.1%         | 9[39%]                           | \$52,339         |
| Advertising & Marketing*                 | \$22,606         | 2.3%         | 10[43%]                          | \$19,577         |
| Auto                                     | \$9,046          | 0.9%         | 8[35%]                           | \$8,126          |
| General & Administrative*                | \$154,156        | 15.8%        | 13[57%]                          | \$158,025        |
| <b>Total Expenses</b>                    | <b>\$868,174</b> | <b>89.3%</b> | <b>10[43%]</b>                   | <b>\$802,633</b> |
| <b>Other Revenue*</b>                    | <b>\$2,232</b>   | <b>0.2%</b>  | <b>4[17%]</b>                    | <b>\$0</b>       |
| <b>EBITDA**</b>                          | <b>\$106,728</b> | <b>11.0%</b> | <b>9[39%]</b>                    | <b>\$100,827</b> |
| <b>Add back: Owner Payroll</b>           | <b>\$96,549</b>  | <b>9.9%</b>  | <b>12[52%]</b>                   | <b>\$99,199</b>  |
| <b>Owners Discretionary Profit (ODP)</b> | <b>\$203,277</b> | <b>20.9%</b> | <b>9[39%]</b>                    | <b>\$199,707</b> |

**TABLE 1C – 3<sup>rd</sup> Quartile Studios<sup>1</sup>**

<sup>1</sup> The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 3<sup>rd</sup> Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$3,213,698 to \$265,096.

| Category                                 | Average   | % of Sales | # of Studios at or above average | Median    |
|------------------------------------------|-----------|------------|----------------------------------|-----------|
| <b>Gross Sales</b>                       | \$860,014 | 100.0%     | 9[39%]                           | \$753,370 |
| <b>Expenses</b>                          |           |            |                                  |           |
| Cost of Goods Sold                       | \$241,832 | 28.1%      | 9[39%]                           | \$234,759 |
| Labor Costs (including Owner Payroll)*   | \$328,584 | 38.2%      | 10[43%]                          | \$232,741 |
| Facility Lease (Rent)                    | \$71,324  | 8.3%       | 8[35%]                           | \$54,187  |
| Advertising & Marketing*                 | \$24,035  | 2.8%       | 10[43%]                          | \$20,655  |
| Auto                                     | \$9,973   | 1.2%       | 8[35%]                           | \$5,938   |
| General & Administrative*                | \$157,986 | 18.4%      | 7[30%]                           | \$139,051 |
| <b>Total Expenses</b>                    | \$833,734 | 96.9%      | 9[39%]                           | \$737,780 |
| <b>Other Revenue*</b>                    | \$288     | 0.0%       | 4[17%]                           | \$0       |
| <b>EBITDA**</b>                          | \$26,568  | 3.1%       | 11[48%]                          | \$25,062  |
| <b>Add back: Owner Payroll</b>           | \$81,700  | 9.5%       | 8[35%]                           | \$72,240  |
| <b>Owners Discretionary Profit (ODP)</b> | \$108,268 | 12.6%      | 12[52%]                          | \$111,660 |

**TABLE 1D – 4<sup>th</sup> Quartile Studios<sup>1</sup>**

<sup>1</sup> The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 4<sup>th</sup> Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$991,188 to \$173,896.

| Category           | Average   | % of Sales | # of Studios at or above average | Median    |
|--------------------|-----------|------------|----------------------------------|-----------|
| <b>Gross Sales</b> | \$508,010 | 100.0%     | 10[43%]                          | \$407,837 |
| <b>Expenses</b>    |           |            |                                  |           |

|                                          |                  |               |                |                  |
|------------------------------------------|------------------|---------------|----------------|------------------|
| Cost of Goods Sold                       | \$147,815        | 29.1%         | 9[39%]         | \$104,591        |
| Labor Costs (including Owner Payroll)*   | \$191,970        | 37.8%         | 7[30%]         | \$161,750        |
| Facility Lease (Rent)                    | \$53,785         | 10.6%         | 8[35%]         | \$48,339         |
| Advertising & Marketing*                 | \$16,997         | 3.3%          | 11[48%]        | \$14,890         |
| Auto                                     | \$5,501          | 1.1%          | 7[30%]         | \$3,859          |
| General & Administrative*                | \$112,670        | 22.2%         | 12[52%]        | \$118,139        |
| <b>Total Expenses</b>                    | <b>\$528,738</b> | <b>104.1%</b> | <b>9[39%]</b>  | <b>\$446,153</b> |
| <b>Other Revenue*</b>                    | <b>\$1,346</b>   | <b>0.3%</b>   | <b>2[9%]</b>   | <b>\$0</b>       |
| <b>EBITDA**</b>                          | <b>-\$19,382</b> | <b>-3.8%</b>  | <b>14[61%]</b> | <b>-\$14,630</b> |
| <b>Add back: Owner Payroll</b>           | <b>\$35,095</b>  | <b>6.9%</b>   | <b>9[39%]</b>  | <b>\$31,200</b>  |
| <b>Owners Discretionary Profit (ODP)</b> | <b>\$15,713</b>  | <b>3.1%</b>   | <b>14[61%]</b> | <b>\$21,844</b>  |

Notes to Tables 1A-1D Above:

1. “Number of Studios at or above Average” identifies the number of reporting Studios that achieved or exceeded the applicable Average figure reported in Tables 1A-1D.
2. As of December 31, 2024, SP Franchising LLC had 121 Studios operating in the System. Of those 121 Studios operating, 93 Studios met all of the following criteria (“**Reporting Criteria**”): each Studio (a) operated and offered products and services throughout the entire Reporting Period; (b) was operated by the same franchisee entity owner(s) during the entire Reporting Period; and (c) provided to us their 2024 fiscal year unaudited financial statements. All Studios that satisfied the applicable Reporting Criteria are included in these tables. Of the 28 Studios not included in these tables, 7 were new studios not open the entire Reporting Period, 8 were transfers and 13 did not provide financial statements as required by our Reporting Criteria.
3. For Tables 1A-1D, the Studios that met the Reporting Criteria are divided into quartiles (1<sup>st</sup> Quartile, 2<sup>nd</sup> Quartile, 3<sup>rd</sup> Quartile, and 4<sup>th</sup> Quartile) based on the ODP achieved by the Studio during the Reporting Period, with “1st Quartile” being the top 25% of the Studios that met the Reporting Criteria that achieved the highest ODP and “4th Quartile” being the bottom 25% of the Studios that met the Reporting Criteria and achieved the lowest ODP during the Reporting Period.
4. “**Gross Sales**” means the entire amount of the sale price, whether for cash or credit (and regardless of collection in the case of credit), of all sales of products and services and all other receipts or receivables whatsoever of all business conducted at, in, upon or from the Studio, or revenues from any source arising out of the operation of the Studio and includes but is not limited to the selling price of gift certificates, scrip, coupons, services, property or other means of exchange and insurance proceeds for loss of profit or business or for damage to goods, but does not include (a) the amount of any sales tax or similar tax imposed by any federal, state, municipal or other government authority that the franchisee collects from clients and properly remits to the taxing authority; (b) all returns, refunds and allowances if any; (c) that part of the sales price satisfied by a deposit or gift certificate but only if the amount of the deposit or gift certificate has previously been included in the computation of Gross Sales.

5. **“Total Expenses”** is a sum of all of the expense categories for a Studio as identified in Tables 1A-1D:

a. Cost of Goods Sold includes all materials required to produce the products offered by the Studio including ink, laminate, media, and hardware, all purchases for resale, and shipping and packing costs. Costs of Goods Sold does not include facility rent, utilities, labor, outsourced labor, insurance, automobile-related costs, and advertising and promotional expenditures.

b. Labor costs include employee payroll, owner payroll, payroll taxes, employee benefits, and outsourced labor costs including vehicle installation services and outsourced graphic design work. Within this context, the extent to which the Studios disclosed above utilized outsourced labor for vehicle installation services, outsourced graphic design work, and other services may vary considerably throughout the System.

c. Advertising and Marketing includes the marketing fund fee.

d. General and Administrative includes bad debt and write offs, bank charges and credit cards fees, business licenses, fees and files, charitable contributions, communication, dues and subscriptions, equipment lease payments, insurance, meals and entertainment, misc. overhead, office supplies, postage and courier, professional fees, repairs – buildings, repairs – equipment, SpeedPro royalties, taxes, tools and misc. production supplies, travel, uncategorized, and utilities.

6. **“Other Revenue”** includes grant income, sale of fixed assets, credit card fee income, interest income, dividend income and miscellaneous income.

7. **“Add Backs”** equal Owner’s Payroll

8. **“EBITDA”** equals earnings before interest, taxes (income taxes), depreciation and amortization.

9. **“Owners Discretionary Profit (ODP)”** equals EBITDA plus its Add Backs.

**TABLE 2**  
**SYSTEM WIDE GROSS SALES IN 2023 AND 2024**

Table 2 presented below contains certain information related to total Gross Sales realized by all of our franchisees for the period beginning January 1, 2023, and ending December 31, 2023, and for the period beginning January 1, 2024, and ending December 31, 2024. The information and figures regarding Gross Sales presented in Table 2 below are based upon information reported to us by all SpeedPro franchisees whose Studios had been open for any period of time during the period beginning January 1, 2023, and ending December 31, 2023, and for the period beginning January 1, 2024, and ending December 31, 2024. During such periods, all units offered the same or similar services. Please review the explanatory notes below.

|                                                  |               |
|--------------------------------------------------|---------------|
| 2023 System Wide Gross Sales                     | \$104,124,284 |
| 2024 System Wide Gross Sales                     | \$108,976,773 |
| Year over Year Growth in System Wide Gross Sales | 4.7%          |

Notes to Table 2 above:

1. The term Gross Sales has the same definition in this Table 2 as that provided in the Notes to Tables 1A-1D.

**TABLE 3**  
**SAME STORES SALES FOR SUBSET OF STUDIOS IN 2023 AND 2024**

The figures in Table 3 below summarize the 2023 and 2024 Average and Median Gross Sales of a subset of Studios in the System that satisfied our Table 3 Reporting Criteria (See note 1 below) during the period between January 1, 2023 and December 31, 2023 and during the period of January 1, 2024 and December 31, 2024 (the “Table 3 Reporting Period”). Please review the explanatory notes below.

| <b>2024</b>                                            |                         |
|--------------------------------------------------------|-------------------------|
| 2024 Average Gross Sales (97 Studios)                  | \$930,983               |
| Number (and percentage) of Studios at or above Average | 41 [42%]                |
| 2024 Median Gross Sales                                | \$867,573               |
| 2024 Lowest and Highest Actual Gross Sales             | \$138,600 - \$3,596,718 |
| <b>2023</b>                                            |                         |
| 2023 Average Gross Sales (97 Studios)                  | \$892,603               |
| Number (and Percentage) of Studios at or above Average | 44 [45%]                |
| 2023 Median Gross Sales                                | \$800,257               |
| 2023 Lowest and Highest Actual Gross Sales             | \$97,324 - \$3,748,250  |

Notes to Table 3 above:

1. As of December 31, 2024, we had 121 Studios operating, of which 97 Studios met all of the following reporting criteria (“Table 3 Reporting Criteria”): each Studio (a) operated throughout the entire Table 3 Reporting Period; (b) was operated by the same franchisee entity owner(s) during the entire Table 3 Reporting Period; and (c) submitted the required Gross Sales reports to us. All Studios that satisfied the Table 3 Reporting Criteria in 2024 are included in this table. Of the 24 Studios not included in Table 3, seven were excluded for failure to operate for the full Reporting Period and 17 were excluded because they were not operated by the same franchisee entity owners during the entire Table 3 Reporting Period.
2. The term Gross Sales has the same definition in this Table 3 as that provided in the Notes to Tables 1A-1D.

**TABLE 4**  
**AVERAGE AND MEDIAN CUSTOMER VALUE**

The figures below in Table 4 include 114 Studios that satisfied our Table 4 Reporting Criteria (See note 1 below). During the period between January 1, 2024, and December 31, 2024 (“Table 4 Reporting Period”). Specifically, the figures in these tables provide the average and median customer invoice, average and median number of invoices per customer and the average and median customer value during the Table 4 Reporting Period.

|                                             | Average | Number of Studios that Met or Exceed the Average | Median  | Number of Studios that Meet or Exceed the Median |
|---------------------------------------------|---------|--------------------------------------------------|---------|--------------------------------------------------|
| Customer Value for Table 4 Reporting Period | \$4,547 | 40 [35.1%]                                       | \$3,540 | 57                                               |

Notes to Table 4 above.

1. As of December 31, 2024, we had 121 Studios operating in the System, of which 114 met all of the following criteria ("Table 4 Reporting Criteria"): they were operated throughout the entire Table 4 Reporting Period. All Studios that satisfied the Table 4 Reporting Criteria are included in this Table. All 7 studios not included in Table 4 were excluded for failure to operate for the entire Table 4 Reporting Period.

2. In calculating the average and median customer value for the Reporting Period, the lowest customer value was \$1,394 and the highest customer value was \$24,415.

The following applies to all of the above tables:

**Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

We have written substantiation in our possession to support the information appearing in Tables 1A-1D, 2, 3, and 4 within this ITEM 19. Such written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Franchisees or former franchisees listed in this Franchise Disclosure Document may also be a source of information.

Other than the preceding financial performance representation, SP Franchising LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Paul Brewster or Lori Morris, 7000 S. Yosemite Street, Suite 100, Centennial, CO 80112, (844) 274-4784, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table One: Systemwide Outlet Summary  
For Years 2022 to 2024**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|-------------|------|----------------------------------|--------------------------------|------------|
| Franchised  | 2022 | 121                              | 122                            | 1          |
|             | 2023 | 122                              | 118                            | -4         |

| Outlet Type    | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|----------------|------|----------------------------------|--------------------------------|------------|
|                | 2024 | 118                              | 121                            | 3          |
| Company-Owned* | 2022 | 0                                | 0                              | 0          |
|                | 2023 | 0                                | 0                              | 0          |
|                | 2024 | 0                                | 0                              | 0          |
| Total Outlets  | 2022 | 121                              | 122                            | 1          |
|                | 2023 | 122                              | 118                            | -4         |
|                | 2024 | 118                              | 121                            | 3          |

**Table Two: Transfers of Outlets from Franchisees to New Owners  
For Years 2022 to 2024**

| State      | Year | Number of Transfers |
|------------|------|---------------------|
| Arizona    | 2022 | 2                   |
|            | 2023 | 0                   |
|            | 2024 | 0                   |
| California | 2022 | 3                   |
|            | 2023 | 3                   |
|            | 2024 | 2                   |
| Colorado   | 2022 | 0                   |
|            | 2023 | 0                   |
|            | 2024 | 1                   |
| Florida    | 2022 | 0                   |
|            | 2023 | 1                   |
|            | 2024 | 0                   |

| State          | Year | Number of Transfers |
|----------------|------|---------------------|
| Iowa           | 2022 | 0                   |
|                | 2023 | 1                   |
|                | 2024 | 0                   |
| Maryland       | 2022 | 0                   |
|                | 2023 | 1                   |
|                | 2024 | 0                   |
| Missouri       | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| New Jersey     | 2022 | 1                   |
|                | 2023 | 0                   |
|                | 2024 | 0                   |
| North Carolina | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| Ohio           | 2022 | 0                   |
|                | 2023 | 1                   |
|                | 2024 | 1                   |
| Pennsylvania   | 2022 | 1                   |
|                | 2023 | 1                   |
|                | 2024 | 1                   |
| South Carolina | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| Tennessee      | 2022 | 0                   |
|                | 2023 | 1                   |
|                | 2024 | 0                   |
| Texas          | 2022 | 2                   |
|                | 2023 | 1                   |
|                | 2024 | 0                   |
| TOTAL          | 2022 | 9                   |
|                | 2023 | 10                  |
|                | 2024 | 8                   |



**Table Three: Status of Franchised Outlets  
For Years 2022 to 2024**

| State      | Year | Outlets<br>at Start<br>of the<br>Year | Outlets<br>Opened | Termin-<br>ations | Non-<br>Renewals | Reacquired<br>by<br>Franchisor | Ceased<br>Operations<br>- Other<br>Reasons | Outlets<br>at End<br>of the<br>Year |
|------------|------|---------------------------------------|-------------------|-------------------|------------------|--------------------------------|--------------------------------------------|-------------------------------------|
| Alabama    | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2023 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2024 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
| Arizona    | 2022 | 6                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 6                                   |
|            | 2023 | 6                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 6                                   |
|            | 2024 | 6                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
| California | 2022 | 12                                    | 0                 | 0                 | 0                | 0                              | 0                                          | 12                                  |
|            | 2023 | 12                                    | 0                 | 0                 | 0                | 0                              | 0                                          | 12                                  |
|            | 2024 | 12                                    | 0                 | 2                 | 0                | 0                              | 0                                          | 10                                  |
| Colorado   | 2022 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|            | 2023 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|            | 2024 | 5                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 4                                   |
| Delaware   | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2023 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2024 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
| Florida    | 2022 | 9                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 10                                  |
|            | 2023 | 10                                    | 0                 | 0                 | 0                | 0                              | 0                                          | 10                                  |
|            | 2024 | 10                                    | 0                 | 0                 | 0                | 0                              | 0                                          | 10                                  |
| Georgia    | 2022 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
|            | 2023 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
|            | 2024 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
| Illinois   | 2022 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|            | 2023 | 5                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 4                                   |
|            | 2024 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
| Indiana    | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2023 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2024 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
| Iowa       | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2023 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2024 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
| Kansas     | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|            | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|            | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| Kentucky   | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|            | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|            | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| Louisiana  | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|            | 2023 | 1                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 0                                   |
|            | 2024 | 0                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 0                                   |

| State          | Year | Outlets<br>at Start<br>of the<br>Year | Outlets<br>Opened | Termin-<br>ations | Non-<br>Renewals | Reacquired<br>by<br>Franchisor | Ceased<br>Operations<br>- Other<br>Reasons | Outlets<br>at End<br>of the<br>Year |
|----------------|------|---------------------------------------|-------------------|-------------------|------------------|--------------------------------|--------------------------------------------|-------------------------------------|
| Maryland       | 2022 | 3                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 3                                   |
|                | 2023 | 3                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 3                                   |
|                | 2024 | 3                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 3                                   |
| Massachusetts  | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| Minnesota      | 2022 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|                | 2023 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|                | 2024 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
| Missouri       | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| Nebraska       | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|                | 2023 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|                | 2024 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
| Nevada         | 2022 | 1                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 1                                   |
|                | 2023 | 1                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 0                                   |
|                | 2024 | 0                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 0                                   |
| New Hampshire  | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| New Jersey     | 2022 | 7                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
|                | 2023 | 7                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
|                | 2024 | 7                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
| New York       | 2022 | 5                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
|                | 2023 | 5                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 4                                   |
|                | 2024 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
| North Carolina | 2022 | 7                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
|                | 2023 | 7                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
|                | 2024 | 7                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 8                                   |
| Ohio           | 2022 | 6                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 6                                   |
|                | 2023 | 6                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 6                                   |
|                | 2024 | 6                                     | 1                 | 1                 | 0                | 0                              | 0                                          | 6                                   |
| Pennsylvania   | 2022 | 7                                     | 0                 | 1                 | 0                | 0                              | 0                                          | 6                                   |
|                | 2023 | 6                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 6                                   |
|                | 2024 | 6                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 7                                   |
| South Carolina | 2022 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2023 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
|                | 2024 | 2                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 2                                   |
| Tennessee      | 2022 | 3                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
|                | 2023 | 4                                     | 0                 | 0                 | 0                | 0                              | 0                                          | 4                                   |
|                | 2024 | 4                                     | 1                 | 0                 | 0                | 0                              | 0                                          | 5                                   |
| Texas          | 2022 | 11                                    | 0                 | 0                 | 0                | 0                              | 0                                          | 11                                  |

| State      | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|------------|------|------------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
|            | 2023 | 11                           | 0              | 0            | 0            | 0                        | 0                                 | 11                         |
|            | 2024 | 11                           | 0              | 0            | 0            | 0                        | 0                                 | 11                         |
| Utah       | 2022 | 0                            | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2023 | 0                            | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2024 | 0                            | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
| Virginia   | 2022 | 4                            | 0              | 0            | 0            | 0                        | 0                                 | 4                          |
|            | 2023 | 4                            | 0              | 0            | 0            | 0                        | 0                                 | 4                          |
|            | 2024 | 4                            | 0              | 0            | 0            | 0                        | 0                                 | 4                          |
| Washington | 2022 | 2                            | 0              | 0            | 0            | 0                        | 0                                 | 2                          |
|            | 2023 | 2                            | 0              | 0            | 0            | 0                        | 0                                 | 2                          |
|            | 2024 | 2                            | 0              | 0            | 0            | 0                        | 0                                 | 2                          |
| Wisconsin  | 2022 | 1                            | 0              | 0            | 0            | 0                        | 0                                 | 1                          |
|            | 2023 | 1                            | 0              | 0            | 0            | 0                        | 0                                 | 1                          |
|            | 2024 | 1                            | 0              | 0            | 0            | 0                        | 0                                 | 1                          |
| TOTAL      | 2022 | 121                          | 2              | 1            | 0            | 0                        | 0                                 | 122                        |
|            | 2023 | 122                          | 0              | 4            | 0            | 0                        | 0                                 | 118                        |
|            | 2024 | 118                          | 7              | 4            | 0            | 0                        | 0                                 | 121                        |

**Table Four: Status of Company-Owned Outlets  
For Years 2022 to 2024**

| State  | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlet at End of Year |
|--------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|-----------------------|
| Totals | 2022 | 0                        | 0              | 0                                  | 0              | 0                          | 0                     |
|        | 2023 | 0                        | 0              | 0                                  | 0              | 0                          | 0                     |
|        | 2024 | 0                        | 0              | 0                                  | 0              | 0                          | 0                     |

**Table Five:  
Projected Openings As Of December 31, 2024**

| State          | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company Owned Outlets in the Current Fiscal Year |
|----------------|---------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|
| Alabama        | 1                                                 | 0                                                        | 0                                                              |
| Arizona        | 0                                                 | 1                                                        | 0                                                              |
| Florida        | 0                                                 | 2                                                        | 0                                                              |
| Georgia        | 0                                                 | 2                                                        | 0                                                              |
| Michigan       | 0                                                 | 1                                                        | 0                                                              |
| North Carolina | 0                                                 | 1                                                        | 0                                                              |
| Ohio           | 1                                                 | 1                                                        | 0                                                              |
| Tennessee      | 1                                                 | 0                                                        | 0                                                              |
| Texas          | 2                                                 | 1                                                        | 0                                                              |

| State        | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company Owned Outlets in the Current Fiscal Year |
|--------------|---------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|
| Utah         | 0                                                 | 1                                                        | 0                                                              |
| Virginia     | 1                                                 | 0                                                        | 0                                                              |
| <b>TOTAL</b> | <b>6</b>                                          | <b>10</b>                                                | <b>0</b>                                                       |

A full list of our franchised outlets as of the end of the 2024 fiscal year is disclosed in **Exhibit G**. This list also identifies franchisees that were not yet operational at the end of the 2024 fiscal year.

**Exhibit G** also includes a table of those franchisees who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement within the last fiscal year, or who have not communicated with us within 10 weeks of the date of this Franchise Disclosure Document.

During the last three years, some SpeedPro franchisees signed confidentiality clauses with us which restrict them from discussing with you their experiences as a franchisee in the 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. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered.

We may periodically compensate our existing franchisees and third parties for referrals and/or for meeting with franchise candidates as permitted by applicable law.

## ITEM 21 FINANCIAL STATEMENTS

Attached as **Exhibit C** to this Franchise Disclosure Document are our audited financial statements for the fiscal years ended December 31, 2022, December 31, 2023 and December 31, 2024. Our fiscal year ends on December 31.

## ITEM 22 CONTRACTS

The following agreements are attached as Exhibits to this Franchise Disclosure Document:

### Exhibit Agreement

- B Franchise Agreement and exhibits (including Personal Guaranty, Ownership and Management Addendum, Marks, Territory, Consent and Agreement of Landlord, Authorization Regarding Electronic Remittance System, Start-Up Package and Franchisee Questionnaire)
- E Confidentiality and Non-Competition Agreement (Employee)
- F General Release of Claims
- H State Addenda to Franchise Agreement
- I Deposit Agreement

- J Consent to Transfer, Agreement and Release
- K Renewal Amendment to Franchise Agreement

**ITEM 23**  
**RECEIPT**

The last two pages of this Franchise Disclosure Document are Receipt pages for you to sign acknowledging that you have received the information in this Franchise Disclosure Document. Please sign, date, and return one copy of the Receipt to us and keep the other copy for your files.



**Exhibit A  
to SP Franchising LLC  
Franchise Disclosure Document**

**DIRECTORY OF STATE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

**DIRECTORY OF STATE ADMINISTRATORS  
AND AGENTS FOR SERVICE OF PROCESS**

| <b>STATE</b>      | <b>STATE ADMINISTRATOR</b>                                                                                                                                                                         | <b>AGENT FOR<br/>SERVICE OF PROCESS</b>                                                                                         |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>CALIFORNIA</b> | Department of Financial Protection and Innovation<br>One Sansome Street, Suite 600<br>San Francisco, CA 94104<br>415-972-8559<br>866-275-2677                                                      | Commissioner of Financial Protection and Innovation<br>320 West 4th Street, Suite 750<br>Los Angeles 90013-2344<br>866-275-2677 |
| <b>HAWAII</b>     | State of Hawaii<br>Business Registration Division<br>Securities Compliance Branch<br>Dept. of Commerce and Consumer Affairs<br>335 Merchant Street, Room 203<br>Honolulu, HI 96813<br>808-586-2722 | Hawaii Commissioner of Securities<br>Same Address                                                                               |
| <b>ILLINOIS</b>   | Franchise Division<br>Office of the Attorney General<br>500 South Second Street<br>Springfield, IL 62706<br>217-782-4465                                                                           | Illinois Attorney General<br>Same Address                                                                                       |
| <b>INDIANA</b>    | Securities Commissioner<br>Indiana Securities Division<br>302 West Washington Street, Room E 111<br>Indianapolis, IN 46204<br>317-232-6681                                                         | Indiana Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, IN 46204                           |
| <b>MARYLAND</b>   | Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, MD 21202<br>410-576-6360                                                                                 | Maryland Securities Commissioner<br>Same Address                                                                                |
| <b>MICHIGAN</b>   | Michigan Department of Attorney General<br>Consumer Protection Division<br>Antitrust and Franchise Unit<br>G. Mennen Williams Building, 1 <sup>st</sup> Floor<br>Lansing, MI 48913<br>517-373-7117 | Michigan Department of Commerce<br>Corporations and Securities Bureau<br>Same Address                                           |
| <b>MINNESOTA</b>  | Minnesota Department of Commerce<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, MN 55101<br>651-539-1600                                                                                 | Minnesota Commissioner of Commerce<br>Same Address                                                                              |

| STATE               | STATE ADMINISTRATOR                                                                                                                                                                                                                                                 | AGENT FOR SERVICE OF PROCESS                                                                                         |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>NEW YORK</b>     | New York State Department of Law<br>Investor Protection Bureau<br>Franchise Section<br>28 Liberty Street, 21 <sup>st</sup> Floor<br>New York, NY 10005<br>212-416-8000                                                                                              | Secretary of State of New York<br>99 Washington Avenue<br>Albany, NY 12231                                           |
| <b>NORTH DAKOTA</b> | North Dakota Securities Department<br>600 East Boulevard Avenue<br>State Capitol, Fifth Floor<br>Bismarck, ND 58505-0510<br>701-328-4712; Fax: 701-328-0140                                                                                                         | North Dakota Securities<br>Commissioner<br>Same Address                                                              |
| <b>RHODE ISLAND</b> | Rhode Island Department of Business<br>Regulation<br>Securities Division<br>John O. Pastore Center – Building 69-1<br>1511 Pontiac Avenue<br>Cranston, RI 02920<br>401-222-3048                                                                                     | Director, Rhode Island Department of<br>Business Regulation<br>Same Address                                          |
| <b>SOUTH DAKOTA</b> | South Dakota Department of Labor and<br>Regulation<br>Division of Insurance<br>Securities Regulation<br>124 S. Euclid Avenue, Suite 104<br>Pierre, SD 57501<br>605-773-4823                                                                                         | Director of the South Dakota<br>Division of Insurance, Securities<br>Regulation<br>Same Address                      |
| <b>VIRGINIA</b>     | State Corporation Commission<br>Division of Securities and Retail<br>Franchising<br>1300 E. Main Street, 9th Floor<br>Richmond, VA 23219<br>804-371-9051                                                                                                            | Clerk of the State Corporation<br>Commission<br>1300 E. Main Street, 1st Floor<br>Richmond, VA 23219<br>804-371-9733 |
| <b>WASHINGTON</b>   | Mailing - Department of Financial<br>Institutions<br>Securities Division<br>PO Box 41200<br>Olympia, WA 98504-1200<br>360-902-8760<br><br>Overnight - Department of Financial<br>Institutions<br>Securities Division<br>150 Israel Rd SW<br>Tumwater, WA 98501-6456 | Department of Financial Institutions<br>150 Israel Rd SW<br>Tumwater, WA 98501-6456<br>(360) 902-8760                |



| STATE            | STATE ADMINISTRATOR                                                                                                                             | AGENT FOR<br>SERVICE OF PROCESS                         |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>WISCONSIN</b> | Wisconsin Dept. of Financial Institutions<br>Division of Securities<br>201 W. Washington Avenue, Suite 300<br>Madison, WI 53703<br>608-266-8557 | Wisconsin Commissioner of<br>Securities<br>Same Address |



**Exhibit B  
to SP Franchising LLC  
Franchise Disclosure Document**

**FRANCHISE AGREEMENT**



**SP FRANCHISING LLC**

**FRANCHISE AGREEMENT**

**[FRANCHISEE NAME/ENTITY NAME]**

## SUMMARY PAGES

**EFFECTIVE DATE:** \_\_\_\_\_

**EXPIRATION DATE:** \_\_\_\_\_

**TERM:** **10 YEARS**

**FRANCHISEE(S):** \_\_\_\_\_

**ADDRESS OF FRANCHISEE(S):** \_\_\_\_\_

**TELEPHONE NUMBER:** \_\_\_\_\_

**E-MAIL ADDRESS:** \_\_\_\_\_

**PRINCIPAL OWNER NAME:** \_\_\_\_\_

**ADDRESS FOR PRINCIPAL OWNER** \_\_\_\_\_

**TELEPHONE NUMBER FOR PRINCIPAL OWNER:** \_\_\_\_\_

**E-MAIL ADDRESS FOR PRINCIPAL OWNER:** \_\_\_\_\_

**SPEEDPRO STUDIO NAME:** \_\_\_\_\_

**LOCATION ADDRESS:** \_\_\_\_\_

**TERRITORY ZIP CODES:** \_\_\_\_\_

**SPEEDPRO STUDIO WEBSITE:** \_\_\_\_\_

**INITIAL FRANCHISE FEE:** **First SpeedPro Studio: \$49,500. Additional SpeedPro Studio(s): \$24,750. Qualified Veteran of the U.S. Military and First Responders: \$39,500.**

**START-UP FEE:** **\$124,500, plus applicable sales tax**

**BUSINESS TRAINING FEE:** **\$2,500 (for Transfers)**

**RENEWAL FEE:** **\$10,000**

**ROYALTY FEE:** **Beginning 13<sup>th</sup> month from the Effective Date, the greater of (a) 6% of Gross Sales up to \$60,000; and 4% of Gross Sales from \$60,001 and above; or (b) the Minimum Royalty Fee**

**MINIMUM ROYALTY FEE:** **Months 13 – 18: \$500; Months 19 – 24: \$750; Months 25 - 30: \$1,000; and Month 31 and remainder of the Term: \$1,500**

**MARKETING FUND FEE:** **\$0-\$20,000 in Gross Sales – 1.75%; \$20,001 - \$40,000 in Gross Sales – 1.5%; \$40,001 - \$170,000 in Gross Sales – 1.25%; and \$170,001 and greater - 0.75%**

**INITIAL MARKETING FEE:** **\$10,000**

**TRANSFER FEE:** **\$10,000**

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Franchisee Questionnaire



## SP FRANCHISING LLC FRANCHISE AGREEMENT

This Franchise Agreement is made as of the Effective Date (designated on the Summary Pages to this Agreement) by and between SP FRANCHISING LLC, a Delaware limited liability company with its principal business located at 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112 (“**we**” or “**us**”), and the franchisee identified on the Summary Pages whose principal business address is also designated on the Summary Pages (“**franchisee**” or “**you**”). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions of this Agreement also apply to its owners.

### RECITALS

A. We and our affiliates have developed a system for the development and operation of SpeedPro® Studios that offer to the public premium large-scale printing and related services including removal, installation, consulting, site evaluation, graphic design, finishing, production services, technology driven smart signage and interior and exterior digital displays that are identified by the Marks.

B. Our affiliate company, SP IP LLC (“**SP IP**”), owns the SpeedPro® trademark and other trademarks used in connection with the operation of a SpeedPro Studio.

C. SP IP has granted us the right to sublicense the right to develop and operate SpeedPro Studios.

D. You desire to develop and operate a SpeedPro Studio, and we, in reliance on your representations, have approved your franchise application.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

1. **DEFINITIONS.** For purposes of this Agreement, the terms below have the following definitions:

A. “*Client Information*” means contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any person or entity (1) included on any marketing or client list provided by us to you; (2) who has purchased or purchases services from you during the term (even if you have solicited the person and/or established a relationship independent of us and without our assistance) or who you have solicited to purchase any services; (3) for whom you provide services on our behalf or at our direction; and (4) if any of the foregoing is an entity, all employees of such entity.

B. “*Control Person*” means the individual who has the authority to, and does in fact, actively direct your business affairs in regard to the SpeedPro Studio, is responsible for overseeing the general management of the day-to-day operations of the SpeedPro Studio and has authority to sign on your behalf all contracts and commercial documents. The Control Person is identified on the Ownership and Management Addendum attached to this Agreement.

C. “*Gross Sales*” means the entire amount of the sale price, whether for cash or credit (and regardless of collection in the case of credit), of all sales of products and services (including removal, installation, consulting, site evaluation, graphic design, finishing and production services ) and all other receipts or receivables whatsoever, whether by cash, credit, checks, gift certificates, scrip, coupons, services, barter, property, donations, sponsorships or other means of exchange, of all

business conducted at, in, upon or from the SpeedPro Studio, or revenues from any source arising out of the operation of the SpeedPro Studio and includes but is not limited to the selling price of gift certificates, and insurance proceeds for loss of profit or business or for damage to goods, but does not include (i) the amount of any sales tax or similar tax imposed by any federal, state, municipal or other government authority that you collect from clients and properly remit to the taxing authority; (ii) all returns, refunds and allowances if any; (iii) that part of the sales price satisfied by a deposit or gift certificate but only if the amount of the deposit or gift certificate has previously been included in the computation of Gross Sales. Each charge or sale upon instalment or credit will be treated as having been received in full at the time such charge or sale is made, regardless of the time you actually receive payment.

D. *“First Responder”* means a person with specialized training who is among the first to arrive and provide assistance at the scene of an emergency, such as an accident, natural disaster, or other catastrophic events. First responders include paramedics, nurses, emergency medical technicians, police officers, sheriffs, and firefighters.

E. *“Marks” or “Proprietary Marks”* means the SpeedPro trademark and service mark that has been registered in the United States and elsewhere, and the trademarks, service marks and trade names set forth on Appendix A, as we may modify from time to time, and the trade dress and other commercial symbols we authorize you to use in the operation of the SpeedPro Studio. Trade dress includes the designs, color schemes and image we authorize you to use from time to time.

F. *“Principal Owner”* means any person or entity who, now or hereafter, directly or indirectly, owns a 10% or greater interest in the franchisee when the franchisee is a corporation, limited liability company, partnership, or other entity. However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly owns less than a 10% interest in the franchisee, we have the right to designate that person or entity as a Principal Owner for all purposes under this Agreement. In addition, if the franchisee is a partnership entity, then each person or entity who now or hereafter is or becomes a general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one Principal Owner. Your Principal Owner(s) are identified on the Ownership and Management Addendum. Within 10 days from the date of any and every change in the identity and/or ownership holdings of the Principal Owners, you must update the Ownership and Management Addendum attached to this Agreement accordingly. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

G. *“Studio” or “SpeedPro Studios”* means the business selling premium large format printing and related services, including removal, installation, consulting, site evaluation, graphic design, finishing production services, technology driven smart signage and interior and exterior digital displays.

H. *“System”* means the proprietary business system for the location, establishment, operation and promotion of SpeedPro Studios, which offer to the public premium large-scale printing and related services, including removal, installation, consulting, site evaluation, graphic design, finishing and production services technology driven smart signage and interior and exterior digital displays, which are identified by the Marks, and which are licensed by us or our affiliates pursuant to a valid license agreement. The distinguishing features of the System include, without limitation, a distinctive exterior and interior design, decor, color scheme, fixtures and furnishings, the Marks, and other standards, specifications, policies, procedures and techniques that we have developed relating to the location, establishment, operation and promotion of SpeedPro Studios (including, without

limitation required and recommended business practices; standards and specifications for SpeedPro Studio design and appearance; client service standards; sales techniques and procedures; and other management, operational and accounting procedures), techniques for creating, installing and applying large scale prints and reprographics, inventory and management control, procedures, training and assistance, and advertising and promotional programs, all of which may be changed, improved upon, and further developed from time to time.

I. *“Tier One Support”* means the initial level of support to resolve routine and common issues and questions or to assist in identifying issues that need to be addressed to third-party inventory, equipment or service providers.

2. **GRANT OF LICENSE.** The following provisions control with respect to the license granted hereunder:

A. *License Grant; Authorized Location.* We grant you the right and license to establish and operate one SpeedPro Studio identified by the Marks, to be located at the location designated on the Summary Pages (the **“Authorized Location”**). When a location has been designated by you and approved by us as provided in Section 2.B, it will become part of this Section 2.A as if originally stated. You acknowledge and agree that our approval of an Authorized Location does not constitute a warranty of any kind, express or implied, as to the suitability of the site for your SpeedPro Studio and your acceptance of a franchise for the operation of a SpeedPro Studio at the Authorized Location is based solely on your own independent investigation. If an Authorized Location is not designated by you and approved by us within hundred and twenty (120) days from the date of this Agreement, we have the right to declare this Agreement null and void without any obligation to return any portion of the Initial Franchise Fee or any other amounts paid to us. You accept the license and undertake the obligation to operate the SpeedPro Studio at the Authorized Location using the Marks and the System in compliance with the terms and conditions of this Agreement. You do not have any right to sublicense or sub-franchise the rights granted herein and do not have the right to operate more than one SpeedPro Studio.

B. *Territory.* You must locate and operate the SpeedPro Studio at an Authorized Location within the area identified on the Summary Pages (the **“Territory”**). If the Territory is not identified in the Summary Pages, the Territory will be solely determined by us and will be identified by contiguous zip codes surrounding the Authorized Location that include at least 7,000 businesses but generally no more than 8,500 businesses. We will notify you in writing of your Territory. There are no conditions for you to keep your rights to the Territory, such as minimum sales quotas. We have the right to review and modify your Territory at any time throughout the Term if the number of businesses in your Territory exceeds 8,500 business. The Franchise Agreement will be amended to reflect any changes to the change in the Territory. Franchisee hereby irrevocably appoints Franchisor as Franchisee’s attorney-in-fact for the purpose of executing an amendment to the Franchise Agreement solely to reflect changes to the Territory. There are no other circumstances that permit us to modify your territorial rights. To the extent that you and your affiliates are in compliance with the terms of this Agreement and any other agreements with us and our affiliates, we and our affiliates will not locate and operate or grant to anyone else a franchise to locate and operate a SpeedPro Studio within the Territory so long as this Agreement is in effect, except as further provided in Section 2.D.

C. *Opening.* You agree that the SpeedPro Studio will be open and operating within 180 days from the Effective Date, unless we authorize an extension in writing (such required date, the **“Required Open Date”**). If you fail to have your SpeedPro Studio open and operating by the Required Open Date, we may terminate this Agreement pursuant to Section 13.B(2) without providing you with an opportunity to cure and without us having any obligation to refund you any fees hereunder.

D. *Non-exclusivity; Our Reservation of Rights.*

(1) We (on behalf of ourselves and on behalf of any other entity which we may merge with, acquire, or be acquired by, or otherwise are or become affiliated with) retain all rights not expressly granted in this Agreement. For avoidance of doubt and without limiting the foregoing, the license granted to you herein does not include (a) any right to sell products or services identified by the Marks at any location other than the Authorized Location or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce) as further described in Section 2.D(4), (b) any right to sell products or services identified by the Marks to any person or entity for resale or further distribution, or (c) any right to exclude, control or impose conditions on our development of future franchised, company or affiliate owned SpeedPro Studios (1) under the Marks at any time outside of the Territory or (2) under different trade names and trademarks at any time whether inside or outside of the Territory. You acknowledge that the client service area or trade area of another SpeedPro Studio may overlap with your Territory.

(2) Subject to the restrictions of Section 10.E, you may solicit business anywhere within the United States. You acknowledge and agree that we and other System franchisees may solicit business inside the Territory. Client preference will be a priority and you agree to operate in good faith with all other SpeedPro studios, subject to Section 10.E.

(3) You also acknowledge and agree that we and our affiliates have the right to operate and franchise SpeedPro Studios or any other business for the same, similar or different products or services, both within and outside the Territory, under trademarks other than the Marks, without compensation to any franchisee. Outside of the Territory, we and our affiliates have the right to grant other franchises or develop and operate company or affiliate owned SpeedPro Studios and/or otherwise offer, sell or distribute any products or services, including those associated with the System under the Marks or any other trademarks, service marks or trade names, all without compensation to any franchisee. In addition, we have the right to purchase or be purchased by, or merge or combine with, any businesses wherever located, including a business that competes directly with your SpeedPro Studio and is located within the Territory; provided that, we will not use the same or similar trademark or service mark as franchisee if within franchisee's Territory.

(4) Further, and as noted above, we and our affiliates have the right to offer, sell or distribute, within and outside the Territory, through any other (i.e., non-studio) distribution channel or method, any products or services associated with the System (now or in the future) and/or identified by the Marks, or any other trademarks, service marks or trade names, without compensation to any franchisee. The other distribution channels or methods include, without limitation, regional malls, special events, television, mail order, catalog sales, wholesale sale to unrelated retail outlets, or over the internet or any other form of electronic media (including social technology, social media, and social networking platforms). The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet, conduct e-commerce or engage in social networking on the Internet using the Marks without our prior written approval. Notwithstanding the foregoing, we may authorize you to sell products or services on the Internet using our e-Commerce site if you meet our then current conditions for participation in such program and you obtain our prior written approval.

3. TRADEMARK STANDARDS AND REQUIREMENTS. You acknowledge and agree that the Marks are SP IP's valuable property and SP IP has licensed the use of the Marks to us with the right

to sublicense to others. You further acknowledge that your right to use the Marks is specifically conditioned upon the following:

A. *Mark Ownership.* SP IP is the owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the SpeedPro Studio and of the business conducted at the Authorized Location that is associated with or attributable to the Marks. Your use of the Marks will inure to SP IP's or its successor's benefit. You may not, during or after the term of this Agreement, engage in any conduct, directly or indirectly, that would infringe upon, harm or contest our SP IP's rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. *Mark Use.* You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the SpeedPro Studio except those set forth in Appendix A or except as we otherwise direct in writing. You may use the Marks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Marks only in connection with the operation and promotion of the SpeedPro Studio and in association with products and services approved by us and that meet our standards or requirements.

C. *SpeedPro Studio Identification.* You must use the name SpeedPro (or such other name that we specify) as the trade name of the SpeedPro Studio and you may not use any other mark or words to identify the SpeedPro Studio without our prior written consent. You may not use the phrase "SpeedPro" or any of the other Marks as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Marks on various materials, such as business cards, stationery and checks, provided you (1) accurately depict the Marks on the materials as we prescribe, (2) include a statement on the materials indicating that the business is independently owned and operated by you, (3) do not use the Marks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (4) make available to us, upon our request, a copy of any materials depicting the Marks. You must post a prominent sign in the SpeedPro Studio identifying you as a SpeedPro franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the SpeedPro Studio and that the SpeedPro Mark is owned by SP IP and your use is under a license we have issued to you. All your internal and external signs must comply at all times with our outdoor/indoor sign guidelines and practices, as they are modified from time to time.

D. *Litigation.* If any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of the Marks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. *Changes.* You may not make any changes or substitutions to the Marks unless we direct in writing. We reserve the right to change the Marks at any time. Upon receipt of our notice to change the Marks, you must cease using the former Marks and commence using the changed Marks, at your expense within the timeframe we prescribe.

4. TERM AND SUCCESSOR TERM. The following provisions control with respect to the term of this Agreement and renewal of the license to operate the SpeedPro Studio:

A. *Term.* The initial term of this Agreement is as set forth on the Summary Pages, and it commences on the Effective Date and expires on the Expiration Date noted on the Summary Pages, unless sooner terminated in accordance with Section 13.

B. *Successor Term and Conditions of Renewal.* You may renew your license for one additional 10-year successor term, provided that: (1) you have given us written notice of your decision to renew at least six months but not more than 12 months prior to the end of the expiring term; (2) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to the grant of a successor term ), the terms of which may differ from this Agreement, including higher/additional fees; (3) you have complied, at your own cost, with the provisions of Section 5.D regarding modernization and you perform any further items of modernization and/or replacement of the building, premises, trade dress, and grounds as may be necessary for your SpeedPro Studio to conform to the standards then applicable to then-current image of SpeedPro Studios (provided that the cost of such modernizations and/or replacements will not be less than \$5,000 or more than \$20,000); (4) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (5) if leasing the SpeedPro Studio premises (and not subject to relocation under (3) above), you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the successor term; (6) you comply with our then-current training requirements; (7) you pay us, at least 30 days prior to the end of the expiring term, a Renewal Fee, if applicable, in the amount identified in the Summary Pages; and (8) you and your Principal Owners and guarantors execute a general release of claims in a form we prescribe. If you comply with the provisions in this Section 4.B. on the sixth month prior to the expiration of the term, we will waive the Renewal Fee.

C. *Interim Period.* If you do not sign a franchise agreement for a successor term prior to the expiration of this Agreement and you continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (1) expired as of the date of expiration with you then operating without a license to do so and in violation of our rights; or (2) continued on a month-to-month basis ("Interim Period") until one 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 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations 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 you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

5. FACILITY STANDARDS AND MAINTENANCE. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of SpeedPro Studios to protect the distinction, goodwill and uniformity symbolized by the Marks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. *SpeedPro Studio Facility; SpeedPro Studio Opening; Site Under Control.* You are responsible for purchasing or leasing a site that meets our site selection criteria. We must approve the site. In seeking our approval, you must provide us, within 60 days following the Effective Date, with completed site selection reports for no less than three potential sites for the SpeedPro Studio, each of which shall comply with our site selection criteria. We or our regional developer or other designee may visit the three sites, at our election and our own expense, with you to assess the suitability of each site. If we reasonably determine that none of the sites visited are acceptable, then

you must provide us completed site selection reports for at least three additional potential sites. We or our regional developer or other designee may visit such additional sites, at our election and at your expense, with you to assess the suitability of such additional sites. Once we approve the site, a description of the site will be added to the Summary Pages, and such description will be considered the “Authorized Location” for all purposes in this Agreement. During the term of this Agreement, you may not use the SpeedPro Studio premises or Authorized Location for any purpose other than the operation of a SpeedPro Studio in accordance with the terms of this Agreement. We make no guarantees concerning the success of the SpeedPro Studio located on any site to which we consent.

(1) You may not open your SpeedPro Studio for business until (i) you have obtained a certificate of occupancy for your SpeedPro Studio as well as all other necessary licenses and permits to operate your SpeedPro Studio, (ii) your SpeedPro Studio has been constructed, furnished, equipped, and decorated in accordance with our approved plans and specifications and you have otherwise satisfied your pre-opening obligations as set forth in Sections 5.A and 5.B, (iii) you have completed all required training to our satisfaction, (iv) you have paid in full the Initial Franchise Fee, the Start-Up Fee, the Initial Marketing Fee and any other amounts due to us or our affiliates, (v) you have furnished us with certificates of insurance and copies of all insurance policies (if we so request), and (vi) we have notified you in writing that we have approved your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 12.B for your failure to comply with your obligations.

(2) If you plan to lease the SpeedPro Studio premises, we must approve the form of your lease and your Landlord may be required to sign the Consent and Agreement of Landlord attached as Appendix C. We recommend you submit the Consent and Agreement of Landlord to the Landlord at the beginning of your lease review and negotiation, although the terms of the document may not be negotiated without our prior approval. If the Landlord requires us to negotiate the Consent and Agreement of Landlord, we reserve the right to charge you a fee, which will not exceed our actual costs associated with the negotiation. You must provide us a copy of the executed lease and, if required, the Consent and Agreement of Landlord within five days of execution. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the SpeedPro Studio premises.

(3) You must provide us an executed copy of your lease and, if required, the Consent and Agreement of Landlord, or the purchase agreement (as applicable), for the approved site for your SpeedPro Studio, within one hundred and twenty (120) days from the Effective Date. If you fail to have your site “under control” (timely execute the lease or the purchase agreement) as required hereunder, we may terminate this Agreement without giving you an opportunity to cure pursuant to Section 13.B(2).

**B. Construction; Future Alteration.**

(1) You must construct and equip the SpeedPro Studio in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings and design and layout of the SpeedPro Studio. You may not commence construction of the SpeedPro Studio until you have received our written consent to your building plans; provided that compliance of such plans with all applicable laws and permits is solely your responsibility. If your SpeedPro Studio is not constructed strictly according to the previously consented building plans, we will not approve your SpeedPro

Studio for opening. You will have 30 days from the date we deny our approval for opening your SpeedPro Studio to correct all the construction problems. If you fail to correct the problems within the 30-day period, we may immediately terminate this Agreement pursuant to Section 13.B(2). If the SpeedPro Studio opening is delayed for the foregoing reasons, you will be responsible for any losses and costs related to such delay.

(2) Without limiting the generality of the foregoing, you must promptly after obtaining possession of the site for the SpeedPro Studio: (i) purchase or lease and then, in the construction of the SpeedPro Studio, use only the approved building materials, equipment, fixtures, furniture and signs; (ii) build out the site to a “white-box” format in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iii) obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; (iv) obtain and maintain all required zoning changes, building, utility, health, sign and business permits and licenses and any other required permits and licenses; (v) place or display at the Authorized Location only those signs, emblems, logos, and display materials authorized by us, and no others; (vi) ensure that the SpeedPro Studio site is open for deliveries on the dates specified by us and that you or another responsible individual is present to accept deliveries; and (vii) attend to the unpacking assembly and installation of all equipment, fixtures and supplies for the SpeedPro Studio, according to our layout and placement specifications; attend to completion of our checklist, noting any deficiencies or damaged items, and emailing the completed checklist to us; and notifying us of the completion of the required installations. It is your responsibility to comply with the foregoing conditions.

(3) Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the SpeedPro Studio to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications we have approved. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

(4) Upon completion of the matters set forth in this Section, we will set a Grand Opening date (the “**Grand Opening Date**”). You will be required to open the SpeedPro Studio for business on the Grand Opening Date. We, our regional developer or our other designee, may be present at your SpeedPro Studio on the Grand Opening Date to assist you with the grand opening of your SpeedPro Studio. If you fail to open the SpeedPro Studio by the Grand Opening Date, we will have the right to terminate this Agreement pursuant to Section 13.B(2) without you having an opportunity to cure and without us having any obligation to refund you any fees hereunder.

C. *Maintenance.* You must maintain the SpeedPro Studio in accordance with our standards. Without limiting the foregoing, you must maintain and refresh the building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) used in the operation of your SpeedPro Studio in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. We may provide, in our discretion, Tier One Support for printers, however it is your responsibility to maintain, update, and repair your SpeedPro Studio’s printers and other equipment. You must regularly replace worn out or obsolete fixtures, and signs; and, when necessary, repair the interior and exterior, including, without limitation, periodically redecorate, renovate, and modernize. If at any time, in our reasonable judgment, the general state of repair,



appearance or cleanliness of the Authorized Location does not meet our standards, we will notify you, specifying the action to be taken to correct such deficiency. You agree to make such capital expenditures as we may reasonably require. You acknowledge and agree that there is no monetary limit to such required expenditures. If you fail to take such action immediately after receipt of such notice, we may, without prejudice to any other rights or remedies, enter upon the SpeedPro Studio premises (without being liable to you for trespass or other tort) and have such repairs or maintenance performed at your sole cost and expense. You may not remove any equipment, inventory, products, supplies or other materials used in the operation of the SpeedPro Studio except in the normal course of business or as required for the maintenance/repair of equipment used in the SpeedPro Studio.

D. *Modernization or Remodel.* You agree that you will make such improvements or modifications necessary to modernize, redecorate and upgrade your SpeedPro Studio, including an upgrade of your equipment to reflect the current image of new SpeedPro Studios as we reasonably request during the term of this Agreement (taking into consideration the cost of the modernization, and the then-remaining term of this Agreement). Any SpeedPro Studio upgrade investment will be not less than \$5,000 but not more than \$20,000. You must complete to our satisfaction any changes we require within a reasonable time, not to exceed six months from the date you are notified of any required changes. Except for transfers to family members or existing Principal Owners under Section 11.G, every other transfer of any interest in this Agreement or your SpeedPro Studio business governed by Section 11 and any renewal of your right to operate the SpeedPro Studio covered by Section 4 is expressly conditioned upon your compliance with these requirements at the time of the transfer or renewal of your right to operate the SpeedPro Studio.

E. *Signage.* You must display the Marks where and in the manner we require (including with respect to any vehicle wrap(s)), without the right to vary or alter the same in any manner whatsoever, and to erect and display any signs we supply to you. You will display our approved colors, decals and/or signs on all equipment used in the SpeedPro Studio and on all vehicles used in the business, as we may prescribe. We may modify our signage requirements from time to time due to modifications to the System, including changes to the Marks. You must make such changes to the signage as we require, within the time we require, at your own expense.

F. *Relocation.*

(1) You may not relocate the SpeedPro Studio outside of your current territory without prior written approval by us. Should you move your SpeedPro Studio outside your Territory without obtaining written approval from us, you will be in breach of your Agreement and subject to immediate termination without an opportunity to cure. Once approved, you may relocate to the approved location provided that all costs of such relocation will be borne by you, and you will immediately reimburse us for our costs incurred, including, without limitation, lease negotiation guidance costs, not to exceed \$1,000.

(2) If your SpeedPro Studio is destroyed or damaged and you repair the SpeedPro Studio (rather than relocate the SpeedPro Studio), you must repair and reopen the SpeedPro Studio at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within 120 days of the date of occurrence of the destruction or damage.

(3) You do not have the right to relocate if you lose the right to occupy the SpeedPro Studio premises because of the cancellation of your lease due to your breach. The termination or cancellation of your lease due to your breach is grounds for immediate termination of this Agreement under Section 13.B(2).

6. OPERATIONS STANDARDS AND REQUIREMENTS. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. *Approved Products and Services.* You agree to honestly and diligently perform or cause to be performed in a timely fashion all obligations under this Agreement and any other agreement pertaining to the SpeedPro Studio and/or the Authorized Location. You must offer for sale from the SpeedPro Studio all approved products and services and only those products and services. We have the right to make modifications to approved products and services from time to time, and you agree to comply with such modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent. You must ensure that clients are at all times offered high quality, efficient and courteous service, and will also ensure that the highest standards of honesty, integrity, fair dealings and ethical conduct are adhered to in all dealings with clients, suppliers and the public.

B. *Operational Standards.*

(1) You agree to operate the SpeedPro Studio in accordance with our standards described in our manuals or other written materials made available to you, which standards include, without limitation, standards relating to: (i) the quality of services and products offered; (ii) the timeliness of client interaction regarding response times, price quote turnarounds, work in process (WIP), and the timely delivery of products and services; (iii) the safety, maintenance, cleanliness, function and appearance of the Authorized Location and its fixtures, equipment and signs; (iv) the general appearance and professional behavior of you and of your employees, including clothing designed by us to be worn at all times during performance of business of the SpeedPro Studio; (v) the use of the Marks; (vi) the hours during which the SpeedPro Studio will be open for business; (vii) the use and retention of standard forms; and (viii) the use and illumination of signs, posters, displays, standard format and similar items. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the manuals or other written materials. The manuals also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

(2) You acknowledge having received access to the manual(s) on loan from us for the term of this Agreement. You acknowledge and agree that the manual(s) and other System communications may only be available on the internet or other online or computer communications. The manual(s) at all times are our sole property. You must at all times treat the manual(s), and the information they contain, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the manual(s) and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the manual(s) is kept current and up to date, and in the event of any dispute as to the contents of said manual(s), the terms of the master copy of the manual(s) that we maintain are controlling.

(3) You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. We may provide Tier One Support for the implementation of new products, services and improvements to the System if we deem such support to be appropriate. However, regardless of what support we provide, if any, you must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

C. *Approved Supplies and Suppliers.*

(1) We will furnish to you from time-to-time lists of approved supplies or approved suppliers. We may provide, in our discretion, Tier One Support for the purchase of inventory and supplies and/or for the implementation of new products and services. You must only use approved products, services, inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services (collectively, "Approved Supplies") in connection with the design, construction and operation of the Studio as set forth in the approved supplies and approved suppliers lists, as we may amend from time to time. You acknowledge and agree that certain approved supplies may only be available from one source, and we or our affiliates may be that source. You will pay the then-current price in effect for all products and supplies that you purchase from us or our affiliates.

(2) If you wish to purchase, lease or use any products or other items from an unapproved supplier, you must submit a written request for approval, or must request the supplier to do so. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We may require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We can make your request contingent on you or the supplier reimbursing us for costs we incur to review the product, service or supplier. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will endeavor to notify you of our approval or disapproval of any proposed supplier within 30 days after we receive all necessary information to complete the inspection and evaluation process. We are not required to make available to you or to any supplier our criteria for product or supplier approval that we deem confidential. You may purchase any products or services for which we have not established designated sources from any supplier of your choice; however, the products and services must conform to our standards.

(3) **ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.**

D. *Computer System.*

(1) You must purchase and/or lease, at your own cost (which may be included in the Start-Up Package), and use any computer system that we develop or select for the SpeedPro Studio, and promptly implement (no later than within 90 days after notice from us), at your own cost, all future updates, upgrades, supplements, replacements and modifications thereto as we may require (the "Computer System"). The Computer System includes hardware (purchased by you at your own cost) and software used in the operation of the SpeedPro Studio, including workflow and customer relationship management software, Point-of-Sale (POS) systems, design and RIP software, five e-mails, CRM and accounting software. You are solely responsible to comply with all laws applicable to the POS System and other technology used in the operation of your SpeedPro Studio, including all data protection or security laws as well as PCI (payment card industry) compliance. The computer software package developed for use in the SpeedPro Studio may in the future include proprietary software. You may be required to license the proprietary software from us, an affiliate or an approved supplier and you also may be required to pay an additional software licensing or user fee in connection with your use of the software. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Computer System must conform to the specifications we develop. We reserve the right to designate a single source from whom you must purchase or lease the Computer System.

(2) You must promptly enter into, and maintain in, the Computer System all information that we require to be entered and maintained. You acknowledge and agree that we will have complete access to all information and data entered and produced by the Computer System. You must, at all times, have at the Authorized Location internet access from an approved supplier with a form of high-speed broadband internet connection at our then-current minimum bandwidth specification and you must maintain, from an approved supplier: (i) an email account for our direct correspondence with you; and (ii) a separate email account for the SpeedPro Studio.

(3) You may not install or use on the Computer System any devices, software or other programs not approved by us. We may require you to maintain a contract with an approved supplier (which may be us or our affiliate) for software support services and you may be required to pay fees for such support and we may, in our discretion, provide Tier One Support for workflow in the POS system and CRM software. Notwithstanding the foregoing, we have no obligation to provide any Computer System support services to you. You are solely responsible for the manner in which the Computer System interfaces with other systems, including our systems and other third-party systems, as well as any and all consequences that may arise if the Computer System is not properly operated, maintained, and upgraded.

(4) If you are in default under this Agreement due to a failure to pay, provide required reports, or otherwise comply with our System standards, and you fail to cure the default as provided in Section 13, in lieu of exercising our right to terminate this Agreement, we may, in our sole discretion, instead elect to suspend your access to our intranet site, take offline your SpeedPro Studio website, remove you from any system-wide email distribution lists including our distribution list for system-wide financial statement benchmarking studies that we may provide to our franchisees, or we may turn off your Computer System or other software systems.

E. *Client Information and Other Data.* We own all data provided or collected from the Computer System, including all Client Information and we may use such data, including the Client Information, as we deem appropriate, subject to applicable law, without compensation to you, including sharing it with our affiliates for cross-marketing or other purposes, disclosing or distributing such data to other SpeedPro franchisees or prospective franchisees, or the disclosure of such information to prospective SpeedPro franchisees by inclusion (aggregated with other franchisee data) in our franchise disclosure document or otherwise. You may only use Client Information to the extent necessary to perform your obligations under this Agreement during the term hereof and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage and your use and our use of such Client Information, including, if required under applicable law, obtaining consents from clients to our sharing of the Client Information as contemplated hereunder. You must comply with all laws and regulations relating to data protection, privacy and security, and must comply with any data protection, privacy and security policies including data breach response policies we may periodically establish as further set out in Section 6.N. You must notify us immediately of any suspected data breach at or in connection with the SpeedPro Studio.

F. *Working Capital.* You must maintain adequate working capital (which initially will) be not less than fifty-four thousand Dollars (\$54,000.00) (unless we agree in writing to a different amount) in the SpeedPro Studio business to enable you to properly and fully carry out all obligations as they come due and must maintain all accounts from us and your suppliers at a current level.

G. *Evaluations.* We and/or the Regional Developer in your area have the right to enter your SpeedPro Studio at all reasonable times during the business day, without prior notice, to make periodic evaluations of your compliance with the provisions of this Agreement, to inspect and evaluate your building, fixtures, furnishings and equipment, to test employees as to their knowledge and performance of the duties required to be performed by them, to determine the availability and delivery of services and products, and to provide coaching on aspects of operating your SpeedPro Studio, including without limitation, customer service and retention, business development and management, cash flow, sales and marketing and team culture. You or your Control Person must cooperate with our authorized representative in the creation, modification and in keeping current of all financial analysis, benchmarking forms, business planning documentation and goal setting procedures as defined in the manuals. We and our representatives also have the right to interview you, your employees and subcontractors, marketing contacts and clients pertaining to matters of compliance with this Agreement and the System and to photograph, videotape or audiotape any such interviews and/or observation/inspection of the operation of the SpeedPro Studio with or without your knowledge and without prior notice to you. You and your employees must cooperate with any such inspection, and you hereby consent to our use of any such audio or video recording for training, marketing or any other purpose. You or your Control Person (if you are an entity) must be present and cooperate with us during all scheduled field visits by our representatives to the SpeedPro Studio. Our inspections and evaluations may include a "mystery shopper" program. We may hire various vendors who send the "mystery shoppers" into the SpeedPro Studios. If you fail an evaluation by us or by a mystery shopper or if we receive a specific client complaint, you must pay for the mystery shopper(s) we send to your SpeedPro Studio until the issue is resolved to our satisfaction. The current fee charged by the vendors is approximately \$200 per visit, which you must pay directly to the vendor. If at any time the general state of repair, appearance of cleanliness of the SpeedPro Studio location does not meet our standards, we will notify you and ask you to cure the deficiency. If you fail to cure the deficiency, we may enter onto the SpeedPro Studio premises and have the repairs or maintenance performed at your expense. Any evaluation or inspection we conduct is not intended to exercise control over your day-to-day operation of the SpeedPro Studio or to assume any responsibility for your obligations under this Agreement.

H. *Confidential Information.*

(1) You, the Principal Owners, the Control Person, your guarantors, officers, directors, members, managers, partners, employees or agents, and any other individual or entity related to, or controlled by, you, may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use any Confidential Information in any other business or in any manner not specifically authorized or approved in advance in writing by us. For purposes of this Agreement, "Confidential Information" means the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding our business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, including training video materials, and any other knowledge or know-how concerning the methods of operation of the SpeedPro Studio, as well as the contents of this Agreement and any other document executed in connection with this Agreement. Any and all Confidential Information, including, without limitation, products, services, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the SpeedPro Studio during the term of this Agreement. We may require that you obtain nondisclosure and confidentiality agreements, in a form satisfactory to us, from any persons owning a minority interest in the franchisee, the Principal Owners, the Control Person and other key employees. You must provide executed copies of these agreements to us upon our request. Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the SpeedPro Studio as well as to your Landlord.

(2) You acknowledge that we may from time to time be required or find it necessary to disclose to third parties certain information about you and/or your Principal Owners, including personally identifiable information such as names, addresses, and telephone numbers, and information we collected under this Agreement. You hereby consent to our collection, use, and disclosure of any information pertaining to the SpeedPro Studio (including personally identifiable information of you and/or your Principal Owners) for our reasonable business purposes and for any purpose described in our privacy policy (as may be amended from time to time), subject to the limitations of this paragraph and applicable law. Without limiting the foregoing, you hereby consent to: (i) the collection, use and disclosure of any information about you and/or your Principal Owners (including personally identifiable information) to develop, modify, and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with federal and state franchise disclosure and/or registration laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including personally identifiable information) to any third party in order for us to fulfill our obligations under this Agreement or attempt to obtain any benefit for us, you, or the System as a whole; and (iii) the release to your Landlord, lenders or prospective Landlords or lenders, of any financial or operational information relating to you and/or the SpeedPro Studio (without obligating us to do so). We will protect your and your employees' personally identifiable information in accordance with applicable law. If we disclose your financial information in a franchise disclosure document, we will not identify you or disclose any of your personally identifiable information in connection with the financial information. As used herein, "Personally identifiable information" means any information about a person that can be used to uniquely identify, contact or locate the person.

I. *Participation in Internet Websites or Other Online Communications.* You must, at your expense, participate in our SpeedPro website on the internet, our intranet system and/or other online communications as we may require. We have the right to determine the contents and use of our website and intranet system and will establish the rules under which franchisees may or must participate. The SpeedPro website includes access to our Vehicle Template Library if you pay our then-current fee. You may not separately register any domain name containing any of the Marks nor participate in any website that markets goods and services similar to a SpeedPro Studio. Before using any domain name and/or URL, you must submit, for our approval your proposed domain name and/or URL. Upon our approval of your domain name and/or URL we will register the domain name and/or URL and license to you the right to use the domain name and/or URL for your SpeedPro Studio. We may require you to change your domain name and/or URL at any time. You may not use or reference the Marks in any online communication or website (including, without limitation, all current and future social media platforms) without our prior approval. We retain all rights relating to our website and intranet system and may alter or terminate our website or intranet system. Your general conduct on our website and intranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet system, or otherwise use the Marks or System on the internet or other online communications, will terminate when this Agreement expires or terminates.

J. *Phone Service.* You must maintain at least one dedicated telephone line for use exclusively by the SpeedPro Studio. Each telephone line must have service features that we may require in the manuals or otherwise communicate to you from time to time. We may require you to provide a full-time employee or answering service to answer your telephone during regular business hours. All lines must be operational and functional before opening the SpeedPro Studio and thereafter at all times during the term of this Agreement. The telephone number for the SpeedPro Studio must be listed in a white-pages telephone directory under the Marks and the current address of your approved business location.

K. *Delivery Vehicles.* Prior to opening the SpeedPro Studio, you must purchase or lease, at your own expense, a designated delivery vehicle for the SpeedPro Studio acceptable to us, to which you must affix the signage we specify, in the manner in which we specify and in accordance with our then-current brand standards as set forth in the manuals. You will be required to update such vehicle signage/wrap every three (3) years at your sole expense during the term of this Agreement.

L. *Compliance with Law; Licenses and Permits.*

(1) You must at all times maintain your premises and conduct your SpeedPro Studio operations in compliance with all applicable laws, regulations, codes and ordinances, including all governmental regulations relating to occupational hazards and health and workers' compensation insurance, unemployment insurance, and the withholding and remittance of federal and state income taxes and sales taxes and any other taxes imposed in connection with your SpeedPro Studio operations. You must secure and maintain in force all required licenses, permits and certificates relating to your SpeedPro Studio.

(2) You acknowledge that you are an independent business and responsible for control and management of your SpeedPro Studio, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters, as the sole power, responsibility and liability for such matters rest exclusively with you.

(3) You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your SpeedPro Studio.

(4) **Suggested Pricing Policies.** We may, from time to time, make suggestions to you with regard to your pricing policies. Any list or schedule of prices we furnish to you may, unless otherwise specifically stated, be treated as a recommendation only and failure to accept or implement any such suggestion will not in any way affect the relationship between you and us. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law. You agree to participate and report the results of a local pricing analysis no less than once every two years.

M. **Innovations.** All ideas, concepts, techniques, or materials concerning the SpeedPro Studio, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you hereby assign and must assign ownership of that item, and all related rights to that item, to us and must take whatever action, and require your owners or employees to take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

N. ***Compliance with Data Protection and Privacy Laws.***

(1) In the operation of the SpeedPro Studio you will receive “Customer Data.” “Customer Data” is information, records, lists or data that contains “Personal Information.” “Personal Information” includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information is collected, maintained or generated in the operation of the SpeedPro Studio, including through the use of a point-of-sale system.

(2) You agree, at your sole cost and expense, to at all times: (a) comply with the data protection, collection, maintenance and use requirements for Customer Data set out in the Operations Manual and this Franchise Agreement, including all policies, procedures and controls that we implement now or in the future; (b) comply with all applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act, relating to the data protection, collection, maintenance and use of Customer Data (collectively, “Privacy Laws”); (c) assist and otherwise cooperate with us to ensure our and your compliance with applicable Privacy Laws; (d) promptly notify[us in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. You will assist and otherwise cooperate with us to investigate any such Security Incident and will take all required steps, as determined by us to remedy your noncompliance with applicable Privacy Laws, this Franchise Agreement or the Operations Manual. For purposes of this Section 6.N, “Security Incident” means any actual or suspected accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement or the Operations Manual; (e) promptly provide us with the ability to delete, access or copy Customer Data in your possession or control; (f) promptly notify us of any request regarding Customer Data received



by you from a “consumer” as defined by applicable Privacy Laws; (g) adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that enable you to respond, and to cause your agents and employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request, or opt-out request; (h) adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job function or role. You will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Franchise Agreement and the Operations Manual; and (i) maintain Customer Data in confidence in accordance with Section 6.H of this Franchise Agreement.

(3) You agree to never sell, disclose, release, transfer, make available, divulge or use the Customer Data, or derivatives thereof for your benefit or for the benefit of a third party, nor for any commercial purpose, other than to operate the SpeedPro Studio. Notwithstanding anything to the contrary you will not disclose, release, divulge, or otherwise make Customer Data available to third parties except to the extent such access is strictly necessary to achieve a business purpose for the benefit of the SpeedPro Studio and only if such third party recipient is contractually bound to comply with data protection provisions no less restrictive than those set out in this Agreement and the Operations Manual, including an agreement to comply with applicable Privacy Laws.

(4) At our instruction, you will de-identify, delete or destroy Customer Data and will provide us written confirmation that such actions are completed within 10 days of our instruction. You will also indemnify and hold us harmless from any violations of applicable Privacy Laws or this Section 6.N of the Franchise Agreement by you, any contractor or subcontractor, employee, affiliate or other third party to whom you have sold, disclosed, released, transferred, made available, divulged or otherwise permitted to access Customer Data. This indemnification obligation will survive termination or expiration of the Franchise Agreement.

7. PERSONNEL AND SUPERVISION STANDARDS. The following provisions and conditions control with respect to personnel, training and supervision:

A. *Supervision.* You, or if you are a legal entity, then a qualified, trained Control Person, must at all times directly supervise the SpeedPro Studio or, when you or such Control Person is absent due to illness, vacation or other similar cause, this supervision will be performed by another trained and competent employee of yours. If you own multiple SpeedPro Studios under multiple franchise agreements with us, you must ensure that each SpeedPro Studio has a dedicated salesperson. You must provide us with originally executed non-competition and non-disclosure agreements (in the form we specify from time to time) signed by all of your employees with access to any Confidential Information. You (or your Control Person) must devote best efforts to the SpeedPro Studio on a full-time basis and continuously promote and enhance the SpeedPro Studio, including, without limitation, the utilization of all marketing programs, methods, and materials in the manner we prescribe.

B. *Training.* You must, at your expense, comply with all of our training requirements. We and/or our representatives will provide our initial training program at our headquarters, or such other location designated by us. Before the SpeedPro Studio opens for business or, if you are acquiring an open Studio, before or promptly after you acquire the Studio, an Owner who is a Control Person, or, the Control Person and an Owner if the Control Person is not an Owner must attend the

initial training program. Any other Owner may attend the initial training program. Every person who attends the initial training program must complete the initial training program to our satisfaction before you are permitted to open your SpeedPro Studio. If you are given notice of default under Sections 13.A or 13.B and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require, as a condition of curing the default, that you and/or general manager, at your expense, comply with the additional training requirements we prescribe. Under no circumstances may you permit management of the SpeedPro Studio's operations by a person who has not successfully completed all the training we require. We reserve the right to offer the initial training program virtually.

C. *Ongoing Training.*

(1) An Owner who is a Control Person, the Control Person and an Owner if the Control Person is not an Owner and such of your employees as we may from time to time require must, upon our notice, attend in person or virtually, as we specify, and complete all required re-training and refresher courses or programs which we and/or our regional developers or other designees may conduct from time to time. Except as provided in Section 7.E below, we will not charge a fee for trainings conducted at our designated training facility, but fees will be assessed for trainings conducted at your Authorized Location. In addition, you will be responsible for your own expenses and those the salary and expenses, including travel, meals and lodging, incurred by your trainees.

(2) Any training provided by us to any of your employees will be limited to training or guiding the employees regarding the delivery of approved services to clients in a manner that reflects the client service standards of the SpeedPro System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your employees. You are solely responsible for ensuring that your employees receive adequate training.

D. *Staffing.* You must employ a sufficient number of competent and trained employees to ensure efficient service to your clients and to secure new clients in accordance with the standards set forth in the manuals. It is your responsibility to ensure that your employees are properly trained in the operation of the SpeedPro System and production services of your business. To this end, you will implement our training program using training aids designated from time to time by us. You will not employ or continue to employ any person who fails or refuses to successfully complete such training program. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment-related responsibility from you to us.

E. *Attendance at Meetings.* You must attend, at your expense, in person or virtually, as we specify, any annual franchise convention we may hold or sponsor. You and certain of your employees must attend, at your expense, any meetings relating to new services or products, new operational procedures or programs, training, business management, sales or sales promotion, or similar topics, including any system-wide teleconferences or web-conferences, as more particularly set forth in the operations manual(s). We reserve the right to charge you our then-current fee to attend any such franchise conventions, meetings, programs or other trainings, and we may collect such a fee from you whether you attend or not. The current fee for our annual convention is \$275, but we may increase the fee in the future, not to exceed \$550. Nothing in this Agreement is intended to require us to hold any annual conventions or other meetings.

8. ADVERTISING. You agree to actively promote your SpeedPro Studio, to abide by all of our advertising requirements and to comply with the following provisions:

A. *Marketing Fund*. Recognizing the value of advertising and marketing to the goodwill and public image of SpeedPro Studios, we have established and administer and control a marketing fund (the “Fund”) and we oversee the Fund programs. You are required to contribute each month to the Fund by paying us a Marketing Fund Fee as set forth in Section 9.D(6). All Marketing Fund Fees are placed in the Fund that we own and manage. On behalf of our company and affiliate owned studios, we pay the same Marketing Fund Fee as similarly situated franchised SpeedPro Studios in the same local marketing area. All sums paid to the Fund will be maintained in a separate account from our other funds. The Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Fund; provided, however, we make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We use the Fund to conduct regional and/or local advertising and fund mechanisms that assist in creating those advertising, marketing and promotional programs. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, promotions, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each SpeedPro Studio or in each market. We have the right to make disbursements from the Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, sales, social media, advertising and promotional campaigns. Without limiting the generality of the foregoing, the Fund may be used for the following purposes: (1) salaries, benefits and any other payments made to employees or any other individual or entity providing services to the Fund, including our in-house marketing and advertising production team, administrative costs, overhead to administer the Fund, salaries and other expenses for marketing support personnel and operating expenses; (2) broadcast, digital, on-line, print or other advertising; (3) the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, digital assets, videotapes, direct mail pieces and other print advertising); (4) any marketing or related research, secret shoppers, surveys and development (e.g., innovation, technology, and so on) including software for the collection of client reviews, testimonials and recommendations; (5) advertising and marketing expenses, including administrative expenses, product research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, client incentive programs, sponsorships, partnerships, industry events, marketing meetings and sales incentives, development, maintenance and operation of our website, social media, and intranet system, internet access provider costs, subscriptions to industry newsletters or magazines, and other marketing related expenditures we specify; and (6) lead generation activities including but not limited to outsourced or in house call center personnel, dedicated or outsourced sales professionals or other individuals and programs. The Fund is not audited. We will not use any of the advertising funds for the solicitation of franchise sales, but any marketing materials we produce may designate “Franchises Available.” The Fund may borrow from us or other lenders to cover deficits or invest any surplus for future use on any terms that we determine. We may reimburse us or other lenders for such loans from the Fund. We do not guarantee that expenditures from the Fund will benefit you or any other franchisee directly or on a pro-rata basis. We do not guarantee that expenditures from the Fund will benefit any specific geographical area. We do not assume any direct or indirect liability or obligation to you for collecting amounts due to the Fund. We will not be liable for any act or omission with respect to the Fund, including but not limited to maintaining, directing or administering the Fund or any other advertising account. No action taken by us shall diminish your obligation to pay the Marketing Fund Fee. You agree that your rights and both your and our obligations with respect to the Fund and all related matters are governed solely by this Agreement. We may terminate the Fund in our sole discretion. Any amounts that remain in the Marketing Fund at the end of each calendar year accrue and may be applied toward the next year’s expenses. We assume no direct or indirect liability or

obligations to you for collecting amounts due to any advertising account. We will not be liable for any act or omission with respect to the Marketing Fund, including but not limited to, maintaining, directing or administering the Marketing Fund or any other advertising account. We may periodically provide information regarding the Fund's activities to the franchisee advisory council (if any).

B. *Approved Materials.* You must maintain an adequate supply of brochures, pamphlets and special promotional materials and all other advertising materials that we specify. You must use only such advertising materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the SpeedPro Studio or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials or media and activities; provided that they are current, in good condition, in good taste and accurately depict the Marks. If you have not received our written (including via email) disapproval of the materials within 10 days from the date we received such materials, the materials will be deemed approved. We may require you (in writing) to withdraw and/or discontinue the use of any promotional or advertising materials, even if previously approved, if in our judgment, such materials may be harmful to the System. You must withdraw and discontinue use of such materials within 5 days of our notice unless we designate a longer time period in our communication. All materials containing our Marks or other intellectual property must include the applicable designation - service mark<sup>sm</sup>, trademark<sup>tm</sup>, registered ® or copyright ©, or any other designation we specify.

C. *Participation in Certain Programs and Promotions.* We will provide you with advertising and marketing programs to commence operation of your Studio. You must participate in all required advertising and promotional programs we establish.

9. FEES, REPORTING AND AUDIT RIGHTS. You must pay the fees described below and comply with the following provisions:

A. *Initial Franchise Fee.* You must pay to us, in certified funds, a nonrefundable Initial Franchise Fee in the amount set forth in the Summary Pages. The Initial Franchise Fee, payable in full on the date you sign this Agreement, is earned upon receipt and is in consideration for our expenses incurred and services rendered in granting you the franchise rights.

B. *Start-Up Fee.* Unless the SpeedPro Studio is developed and operating, or capable of operating, at the time you enter into this Agreement, you must pay to us, in certified funds, the Start-Up Fee, in the amount set forth in the Summary Pages for the start-up package listed on Appendix E ("Start-Up Package"). The entire Start-Up Fee will be due and payable at the earlier of (a) 90 days after you sign the Franchise Agreement; or (b) the date you sign a lease for the Authorized Location. The Start-Up Fee is considered fully earned and non-refundable upon payment.

C. *Initial Marketing Fee.* Unless the SpeedPro Studio is developed and operating, or capable of operating, at the time you enter into this Agreement, simultaneously with the Start-Up Fee payment, you must pay us a non-refundable Initial Marketing Fee in the amount set forth in the Summary Pages, for which we will provide you with advertising and marketing campaign services.

D. *Royalty Fee.* You will pay a Royalty Fee as provided for in this Section 9.D.

(1) If the SpeedPro Studio that is the subject of this Agreement is not developed at the time you enter into this Agreement:

(i) You will not pay a Royalty Fee during the first 12 months immediately following the Effective Date;

(ii) Beginning on the first day of the 13<sup>th</sup> month after the Effective Date and continuing for the remainder of the term of this Agreement, in consideration of the rights granted to you hereunder, you must pay to us monthly the greater of (1) the Royalty Fee calculated consistent with the chart set out in subsection (4) below; or (2) the applicable Minimum Royalty Fee based on the chart set out in subsection (5) below. The payments required under this Section D(1)(ii) are due no later than the seventh (7<sup>th</sup>) day following the end of the month during which the Gross Sales on which they are calculated were accrued, or such other day that we designate as the due date in the manuals (the date designated herein, or otherwise designated by us shall be referred to as the "Payment Date").

(2) If the SpeedPro Studio that is the subject of this Agreement is developed and operating, or capable of operating, at the time you enter into this Agreement, in consideration of the rights granted to you hereunder, you must pay to us monthly, by the Payment Date a Royalty Fee consistent with the following subsections:

(i) As of the Effective Date, and during the first 12 months following the Effective Date, the Royalty Fee calculated consistent with the chart set out in subsection (3) below starting as of the Effective Date of this Agreement;

(ii) Starting with the first day of the 13<sup>th</sup> month after the Effective Date, and continuing for the remainder of the term of this Agreement, the greater of the (1) Royalty Fee calculated consistent with the chart set out in subsection (4) below; or (2) the applicable Minimum Royalty Fee based on the chart set out in subsection (6) below.

(3) The Royalty Fee shall be as set forth in provisions of subsection (1) and subsection (2) of this Section 9.D. only during the initial term of the Agreement. The amount of the Royalty Fee, and any Minimum Royalty Fee, for any successor term shall be as stated in the franchise agreement executed for such successor term.

(4) Royalty Fee

| <b>Royalty Fee Percentage of Gross Sales</b> | <b>Range of Gross Sales</b>                                             |
|----------------------------------------------|-------------------------------------------------------------------------|
| 6.0%                                         | On the first \$60,000 in Gross Sales received each month                |
| 4.0%                                         | On all Gross Sales in excess of \$60,000 received in a particular month |

(5) Minimum Royalty Fee for new Studios

| Month from Effective Date of Franchise Agreement | Minimum Royalty Fee |
|--------------------------------------------------|---------------------|
| Month 25 – Month 36                              | \$500               |
| Month 37 – Month 48                              | \$750               |
| Month 49 – Month 60                              | \$1,000             |
| Month 61 and for the remainder of the Term       | \$1,500             |

(6) Minimum Royalty Fee for existing Studios

| Month from Effective Date of Franchise Agreement | Minimum Royalty Fee |
|--------------------------------------------------|---------------------|
| Month 13 – Month 24                              | \$500               |
| Month 25 – Month 36                              | \$750               |
| Month 37 – Month 48                              | \$1,000             |
| Month 49 and for the remainder of the Term       | \$1,500             |

E. *Marketing Fund Fee.* Beginning on the Effective Date, you must pay to us a monthly marketing fund fee in an amount set forth in the chart below (the “**Marketing Fund Fee**”). The Marketing Fund Fee is due no later than the seventh (7th) day following the end of the month for which the Marketing Fund Fee is calculated. We reserve the right to change the tiers set out below upon 90 days prior notice to you; provided that, the Marketing Fund Fee will not exceed 2% of Gross Sales The Marketing Fund Fees are not held by us in trust and become our property to be spent in accordance with Section 8.A.

(1) Marketing Fund Fee

| Monthly Gross Sales Range | Your Marketing Fund Fee |
|---------------------------|-------------------------|
| \$0-\$20,000              | 1.75%                   |
| \$20,001 - \$40,000       | 1.5%                    |
| \$40,001 - \$170,000      | 1.25%                   |
| \$170,001 and greater     | .75%                    |

F. *Technology Monthly Fees.* Beginning on the first day of the 13<sup>th</sup> month after the Effective Date, you will pay each month, at the time you pay the Royalty Fees described in Section 9.D, our then current technology monthly fees (“**Technology Monthly Fee**”) for a license to use the Software System, technical support, updates and upgrades to our designated Software System, which you are required to use in your SpeedPro Studio. We may increase the monthly Technology Monthly Fee 60 days prior notice to you; provided that, the Technology Monthly Fee will not be increased by more than 10% in any given calendar year. The fee for the CRM system will increase if you have more than 1,000 contacts.

G. *Computations and Remittances.*

(1) Except for the Initial Franchise Fee, the Start-Up Fee and the Initial Marketing Fee, you must compute all amounts due and owing at the end of each month's operation and remit the amounts to us on or before the seventh (7<sup>th</sup>) day of the following month, accompanied (or preceded, as applicable) by any reports we may require under Section 9.I. We reserve the right to change the reporting deadline for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require for us to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you. Further, if you are delinquent in the payment of any amounts owed to us, we may require you to prepay estimated Royalty Fees and Marketing Fund Fees.

(2) If the Gross Sales Report has not been received by us when due, then we may process an EFT for the Royalty Fee, the Marketing Fund Fee and any other fee due hereunder that is determined as a percentage of Gross Sales for the month (i) based on (a) information regarding your Gross Sales for the preceding month, (b) the most recent Gross Sales Report provided to us by you, or (c) Gross Sales data we pull from your Computer System, or (ii) we may withdraw \$1,000 from your bank account as estimated fees due hereunder; provided that if we receive the Gross Sales Report after we process the electronic funds transfer ("EFT") and the Gross Sales Report reflects (a) that the actual amount of the fees due was more than the amount of the EFT processed by us, then we shall be entitled to withdraw additional money through EFT from your designated bank account for the difference; or (b) that the actual amount of the fees due was less than the amount of the EFT processed by us, then we shall return the excess amount to you within five (5) business days of notice by you or discovery by us if the excess is greater than \$150, but if the excess withdrawn by us is \$150 or less, then we will credit the excess amount to the payment of the next fees due.

H. *Electronic Transfer of Funds.* You must sign an ETF authorization, attached as Appendix D, to authorize and direct your bank or financial institution to transfer electronically, on a monthly basis, directly to our or our affiliate(s) account and to charge to your account all amounts due to us and/or our affiliate(s). You must maintain a balance in your account sufficient to allow us and our affiliate(s) to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

I. *Interest Charges; Late Fees.* For each delinquent report or payment that you owe to us and/or our affiliate(s) under this Agreement, you must pay to us and/or our affiliate(s) a service charge for each month that a report or payment is delinquent. The service charge is \$100 unless you have been delinquent in submitting a report or payment to us or an affiliate of ours three (3) or more times in the previous twelve (12) month period, in which case the service charge is \$200, subject to applicable law. Additionally, any and all amounts that you owe to us will bear interest at the rate per annum of 18% or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. A payment is delinquent for any of the following reasons: (a) we do not receive the payment on or before the date due; or (b) there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. In addition, you will not have access to advertising funds or other programs until all Royalty Fee and other remittances to us are current. The acceptance of any interest or late fee payment will not be construed as a waiver of our rights in respect of the default giving rise to such payment and will be without prejudice to our rights to terminate this Agreement in respect of such default.

J. *Financial Planning and Management.* You must record daily all sales (whether for cash or credit) through our designated Software System (currently Corebridge), and you must report those sales to us on a monthly basis. In addition, all sales must be synced through our benchmarking and reporting system, if any. Should any of the sales reports you provide not match, we will apply the Royalty Fee percentage and Marketing Fund Fee percentage to the reported Gross Sales figure with the highest number. You must keep true and accurate books and records at the Authorized Location. You must compile, keep and submit to us the books, records and reports on the forms, in the manner and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your SpeedPro Studio must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we specify and provide us with electronic access to these records. All books, records and reports for your SpeedPro Studio must be preserved and retained for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your SpeedPro Studio.

K. *Reports and Audit.*

(1) By the seventh (7<sup>th</sup>) day of each month (or the next business day if any such day is not a business day), you must provide us with a report of Gross Sales for the preceding month ("Gross Sales Report"). We may require that you submit additional reports, including, but not limited to, the following information: (i) amount of gross receipts of the SpeedPro Studio, amount of sales tax and the computation of the Royalty Fee and Marketing Fund Fee; (ii) quantities of products purchased and the sources from which each were obtained; (iii) copies of your most recent sales or other tax returns, monthly cash and credit sales summary or details and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items, and aged listing of accounts receivable and accounts payable; and (iv) if requested by us to verify your Gross Sales, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us, within 90 days after the end of each fiscal year, a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year, setting forth in each case in comparative form the corresponding figures for the same period in the previous fiscal year, prepared on an accrual basis including all adjustments necessary for fair presentation of the financial statements, including a supplemental schedule of revenue and expenses prepared in the format we require, in accordance with generally accepted accounting principles, compiled by a certified public accountant. We may require that the annual financial statements be reviewed or audited by a certified public accountant. You must certify all reports to be true and correct. You must submit to us all reports by the dates and in the form and content as we require. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees. If you do not submit reports when due, we may charge you a late report fee in the amount of \$100 per occurrence.

(2) We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the SpeedPro Studio are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. If any evaluation or audit reveals any understatement of your Gross Sales, Royalty Fees, or Marketing Fund Fees in any month by an individual or combined total of two percent (2%) or more from data reported to us, then, in addition to any other rights we may have (including collection of amounts owed with respect to any understatement), you must reimburse us for all audit costs, including, but not limited to, related professional fees, travel, and room and board expenses. Furthermore,



we may conduct additional periodic audits and/or evaluations of your books and records, at your sole expense, as we reasonably deem necessary. You acknowledge and agree that if you intentionally understate or under report Gross Sales, Royalty Fees or Marketing Fund Fees or if a subsequent audit or evaluation conducted within a three (3)-year period reveals any understatement or a variance of these fees by an individual or combined total of two percent (2%) or more, in addition to any other remedies provided in this Agreement, at law or in equity, we have the right to terminate this Agreement in accordance with Section 13.B(2). To verify the information you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance. You must fully cooperate with us or our representative in performing these activities and any expenses incurred by us, including the use of third-party auditors and investigators, shall be reimbursed by you.

(3) We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in Section 11.D(9) or where your information is grouped with similar information from other SpeedPro Studios to produce shared results including without limitation high-low ranges or average or median gross sales or expenses on a system-wide or regional basis. We may use this grouped information in our franchise disclosure document in accordance with franchise laws and regulations.

L. *Insurance Premium Charge; Insurance Admin Fee.* We may require you to purchase your required insurance from our designated supplier and pay the insurance premium charges directly to us or our designated supplier. If we require you to use our designated supplier for your required insurance, and we facilitate the collection and/or payment of premium to the designated supplier, you will pay us an insurance admin fee to administer the insurance program.

10. YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS. You agree to comply with the following terms and conditions:

A. *Payment of Debts.* You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all amounts required to discharge all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the SpeedPro Studio; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of the SpeedPro Studio business. If you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree to reimburse us promptly on demand for any such payment.

B. *Indemnification.* You hereby waive all claims against us for damages to property or injuries to persons arising out of the operation of your SpeedPro Studio. You agree to fully protect, indemnify and hold us and our owners, directors, officers, insurers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to your ownership, development and operation of your SpeedPro Studio (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement or any applicable law. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred. It is the intention of the parties to this Agreement that we shall not be deemed a joint

employer with you for any reason; however, if we incur any liability, cost, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such liability, cost, loss or damage.

C. *Insurance.*

(1) You must, at your expense and no later than upon commencement of the SpeedPro Studio operations, procure and maintain in full force and effect throughout the term of this Agreement, insurance policies through an insurance company or insurance broker we designate, in such amounts and on such terms as we prescribe from time to time in the manuals. Insurance policies must name us as well as all other parties designated by us, as additional named insureds against any liability that may accrue by reason of your ownership, maintenance or operation of the SpeedPro Studio. The policies must also stipulate that we shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us, including original endorsements affecting the coverage required by this Section, shall be furnished to us together with proof of payment within ten (10) days of issuance thereof. You shall also furnish us with certificates and endorsements evidencing such insurance coverage within ten (10) days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) in all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to our approval. We reserve the right to require complete, certified copies of all required insurance policies at any time in our sole discretion. You are also required to collect loss history statements ("Loss Runs") from your insurance carrier(s) and remit the Loss Runs to us upon your annual renewal of insurance. If you fail to obtain the required insurance and to keep the same in full force and effect, we may, but are not obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you shall reimburse us for the full cost of such insurance, along with a service charge (not to exceed twenty percent (20%) of the policy premium) ("Insurance Service Charge") to compensate us for the time and effort expended to secure such insurance, within five (5) days of the date we deliver an invoice detailing such costs and expenses to you.

(2) The required liability insurance must provide severability of interests and/or separation of insureds coverage; be primary and non-contributory with any insurance policy carried by us; and include a waiver of subrogation in our and our affiliates, if applicable, favor. By providing written notice to you, we may from time to time modify the required minimum limits and require additional insurance coverage, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the SpeedPro system, standards of liability and higher damage awards, and you must promptly comply with any such modified requirements.

(3) As of the Effective Date, the minimum types and limits of insurance coverage are as follows:

| Coverage                   | Minimum Limits of Coverage                                                                                                 |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| General Liability          | \$1,000,000 per occurrence; \$2,000,000 aggregate; you must include coverage for leased premises as needed.                |
| Garage keepers Liability   | Minimum of \$100,000; required if you work on client automobiles                                                           |
| Property                   | Replacement cost value of property; required if you own the building or premises in which your SpeedPro Studio is located. |
| Business Personal Property | Replacement cost value of property.                                                                                        |
| Hired & Non-Owned Auto     | \$1,000,000.                                                                                                               |
| Commercial Auto            | \$1,000,000; required if you own automobiles.                                                                              |
| Workers Compensation       | Statutory Limits (will vary by state); required if you have employees and such insurance is required by the state.         |

(4) In addition to the required coverages described above, we also recommend you purchase the following coverages:

| Coverage                     | Suggested Limits of Coverage   |
|------------------------------|--------------------------------|
| Umbrella                     | \$1,000,000.                   |
| Business Income Interruption | As desired for loss of income. |

D. *Noncompete Covenants.* You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

(1) Unless otherwise specified, the term “you” as used in this Section 10.D includes, collectively and individually, your Control Person, all Principal Owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your Control Person and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.D.

(2) You covenant that during the term of this Agreement you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, loan money to, guarantee any obligations of, consult with or have any interest in any printing and related services business (“Competing Business”) other than one authorized by this Agreement or any other agreement between us and you, except any interest you may have, at the Effective Date of this Agreement, in a Competing Business, the existence of such interest we have approved in writing. Under no circumstances may you be a member of a franchisee advisory council, committee, board or other similar group for a Competing Business, unless you receive our prior written approval.

(3) Except for any interest you or your affiliate have in another SpeedPro Studio pursuant to an agreement with us or our affiliate, you covenant that you will not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two (2) years of the sale of the SpeedPro Studio or any interest in you (the “Restricted Period”), either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, loan money to, guarantee any obligations of, consult with or have any interest in a Competing Business. Without limiting the generality of the foregoing, this means that you may not, directly or indirectly, have any interest in (i) a business that sells products and services the same as or similar to the type of products or services sold in SpeedPro Studios; (ii) any printing, reprographics and related services business; or (iii) a business with a trade dress similar to SpeedPro Studios, in each case:

(i) At the premises of the former SpeedPro Studio;

(ii) Within a 50-mile radius of the former SpeedPro Studio; or

(iii) Within a 50-mile radius of the location of any other business or studio using the SpeedPro System, whether franchised or owned by us or our affiliates.

E. *Non-Solicitation of Clients.* During the term of this Agreement and during the Restricted Period, you may not solicit business from or induce, influence or encourage, any active client, customer, or other similar third party of any SpeedPro Studio (whether operated by us, our affiliates or our franchisees) to alter, terminate or breach its contractual or other business relationship with us or any of our affiliates or franchisees, as more specifically provided in our then-current client anti-poaching policy as from time to time set forth in the manual(s). Your violation of this provision will be a material breach of this Agreement entitling us to terminate this Agreement if you fail to cure such breach as provided in Section 13.B(1). In addition, if you violate this provision, you agree to pay to such harmed franchisee, affiliate or us, as applicable, as fair and reasonable liquidated damages (but not as a penalty), an amount equal to 200% of the total revenue you receive from the client that you solicited away from us, our affiliate or our franchisee in violation of this Section. You agree that such amount is for the damages that the harmed party will suffer for the loss of the client’s business, including the cost of replacing the lost client revenue, and that it would be difficult to calculate with certainty the amount of damage that the harmed party would incur. Notwithstanding the foregoing, if a court determines that the liquidated damages payment to be unenforceable, then the harmed party may pursue all other available remedies, including consequential damages. The parties acknowledge and agree that any franchisee from whom an active client was solicited by you in violation of this Section shall be a third-party beneficiary of this provision, but only to the extent they may seek compensation from you.

F. *Tolling; Restrictions Reasonable; Blue Pencil Rule.* You agree that the Restricted Period will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. You agree that the restrictions set forth in this Section 10 are reasonable in order to protect our legitimate business interests and the time and expense incurred in establishing the System and accordingly all defenses to the strict enforcement of such restrictions by us are waived. If the duration of, the scope of, or any business activity covered by any provision of Sections 10.D or 10.E is in excess of what is determined to be valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope or activity that is determined to be valid and enforceable. You hereby acknowledge that Sections 10.D or 10.E shall be given the construction which renders

the provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

11. TRANSFER OF FRANCHISE. You agree that the following provisions govern any transfer or proposed transfer:

A. *Transfers.*

(1) We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Studio. Consequently, neither any interest in this Agreement, any interest in you (i.e., the franchisee), nor any interest in the SpeedPro Studio may be transferred or assigned to or assumed by any other person or entity (the “assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire such interest in accordance with Section 11.F, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 11.C is paid, and the transfer conditions described in Section 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the SpeedPro Studio business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer that requires compliance with the right of first refusal, consent, Transfer Fee, Business Training Fee, Live In-Studio Training Fee (if applicable) and other transfer conditions in this Section 11:

(i) Any change or series of changes in the ownership percentage of the franchisee entity, directly or indirectly, by any Principal Owner;

(ii) Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

(iii) For purposes of this Section 11.A, a pledge or seizure of any ownership interests in you or in any Principal Owner that affects the ownership of 25% or more of you or any Principal Owner, which we have not approved in advance in writing.

(2) In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the Transfer Fee, Business Training Fee and Live In-Studio Training Fee (if applicable) provided for in Section 11.C, and satisfy the transfer conditions described in Section 11.D. In addition, you or the assignee must pay the attorneys’ fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

(3) You may not place in, on or upon the location of the SpeedPro Studio, or in any communication media or any form of advertising, any information relating to the sale of the SpeedPro Studio or the rights under this Agreement without our prior written consent.

B. *Consent to Transfer.* We will not unreasonably withhold our consent to transfer; provided that all of the conditions described in this Section 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 11.F must be made by submission of our form of application for consent to transfer. You also agree to submit other information and documents (including a copy of the proposed purchase or other transfer agreement) we require under our then-current transfer procedures. The application must indicate whether you or the Principal Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and only upon conditions acceptable to us. Any agreement used in connection with a transfer shall be subject to our prior written approval. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you and the guarantors a Transfer Fee equal to two (2) times the Transfer Fee provided for in Section 11.C.

C. *Transfer Fee.* As a condition to our approval of any transfer hereunder, you must pay us a transfer fee in the amount set forth in the Summary Pages (the “Transfer Fee”); provided that no Transfer Fee will be due in connection with (i) a transfer to us pursuant to our exercise of the right of first refusal (under Section 11.F); (ii) a one-time transfer by you (if you are an individual) to a legal entity you form for the convenience of ownership and 100% of the voting ownership interests of such entity are beneficially owned and controlled by you; provided that you (the individual transferor) remain personally liable as a guarantor for the legal entity franchisee’s performance of its obligations hereunder; or (iii) a transfer to immediate family or among Principal Owners pursuant to Section 11.G. The transferee will pay us the business training fee in the amount of \$2,500 (“Business Training Fee”) for our transfer business training. Additionally, your transferee may be required to pay the live in-studio training fee in the amount of \$2,500 (“Live In Studio Training Fee”) described in Section 11.D(8).

D. *Conditions of Transfer.* We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity, upon the following:

(1) Assignee Requirements. The assignee must meet all of our then-current requirements for any potential new franchisee at the time of the proposed transfer.

(2) Payment of Amounts Owed. All amounts owed by you to us and our affiliates, your suppliers and Landlord for the SpeedPro Studio premises and Authorized Location, or upon which we have any contingent liability must be paid in full. Without limiting the foregoing, if you retain or authorize us to retain the services of a business or franchise broker to procure a buyer for your SpeedPro Studio, you must pay the business or franchise broker commission.

(3) Reports. You must have provided all required reports to us in accordance with Sections 8 and 9.

(4) Modernization. You must have complied with the provisions of Section 5.D. Upgrade of the SpeedPro Studio to our then-current standards must occur within 90 days of the transfer.

(5) Guarantee. In the case of an installment sale for which we have consented to you or any Principal Owner retaining a security interest or other financial interest in this Agreement or the business operated hereunder, you or such Principal Owner, and the

guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

(6) General Release. You, each Principal Owner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your SpeedPro Studio or the parties' business relationship, in the form we designate, releasing us and our affiliates.

(7) Execution of Then-Current Franchise Agreement. The assignee executes our then-current form of franchise agreement, the terms of which may differ from this Agreement.

(8) Training. Your transferee must satisfactorily complete the Business Training and the SpeedPro equipment training. The SpeedPro equipment training may be provided by you or by us. If we provide the SpeedPro equipment training, we may do so at our headquarters or at the SpeedPro Studio being transferred. If we provide the training at the SpeedPro Studio being transferred, transferee will pay the Live In Studio Training Fee. You covenant to provide to the transferee a minimum of two weeks of training in accordance with a training schedule that we pre-approve.

(9) Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the SpeedPro Studio and its operations reasonably necessary or appropriate for assignee and/or us to evaluate the SpeedPro Studio and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the SpeedPro Studio and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the SpeedPro Studio.

(10) Other Franchise Agreements. You must be in full compliance with all your obligations under this Agreement and all other agreements executed between you and us.

(11) Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies; provided, that such conditions will not be more stringent than any conditions otherwise imposed on new franchisees signing the then-current franchise agreement.

E. *Death, Disability or Incapacity.* If any individual who is a Principal Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a Principal Owner, such person or entity must apply for our consent under Section 11.B, comply with the training requirements of Section 7.B if the Principal Owner also was the Control Person (unless the heir or successor-in-interest finds another Principal Owner to qualify as the Control Person), pay the applicable transfer fee under Section 11.C, and satisfy the transfer conditions under Section 11.D, as in any other case of a proposed transfer, all within six months of the death or notice of the disability or incapacity. During any transition period to an heir or successor-in-interest, the SpeedPro Studio still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us, and we will not have a right of first refusal as set forth in Section 11.F. At the heirs or representatives' request, we will act as non-exclusive agent for the sale of your rights under this Agreement and the business upon terms mutually agreed upon between us and the heirs or representatives. To prevent the interruption of business, you authorize us, at our option, to operate the SpeedPro Studio for so long as we deem necessary. All monies from the operation of the SpeedPro Studio during such period of

operation by us will be kept in a separate account, and our expenses during such period for operating business, including reasonable compensation to us, and our employees or representatives, will be charged to such account. You agree to save harmless and fully indemnify us and our employees and representatives for and against all claims, losses or actions in connection with our operation of the SpeedPro Studio as provided in this Section. We will be entitled to a fee, in an amount as agreed upon by the parties, if we provide services pursuant to this Section.

F. *Right of First Refusal.*

(1) If you propose to transfer or assign this Agreement or your interest herein or in you or the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 11.E or any transfer described in Section 11.A, you first must offer to sell to us your interest under the same terms. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer.

(2) If the proposed transfer results from a transfer under Sections 11.A(1)(i) through 11.A(1)(iii), or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your SpeedPro Studio. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a transfer under Sections 11.A(1) through 11.A(3), or an insolvency or bankruptcy filing, will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 14.B (the formula that includes the value of any goodwill of the business) in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party. You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested.

(3) We then have 45 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 45-day period, you will be free for 60 days after such period to close the sale as described in the statement delivered to us provided such transfer is in compliance with this Section 11. You may affect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 11.F. You understand that, for purposes of this Section 11.F, we may effectuate our right of first refusal rights through an affiliate or other third party that we designate.

G. *Transfer to Immediate Family Members and among Principal Owners.* If the transfer is between an original Principal Owner or an individual who has been a Principal Owner for at least five (5) years and an immediate family member of that owner, or if the transfer is among individuals who have each been Principal Owners for at least five years, then the following apply: (i) No Transfer Fee



will be payable to us, however, we will charge the Business Training Fee, the Live In Studio Training Fee (as applicable); and (ii) we will waive our right of first refusal described in Section 11.F; provided that we must approve in writing any family member assignee. All other provisions of this Section 11 apply in full force and effect to the type of transfer described in this Section, including without limitation, the requirement that the assignee meet our then-current requirements for new franchisees, including financial qualifications and experience standards.

H. *Mortgage etc.* You may not voluntarily mortgage, pledge, grant a security interest in or otherwise encumber this Agreement, the rights granted hereunder, or the assets of the SpeedPro Studio, without our prior consent, such consent not to be unreasonably withheld.

I. *Transfer by Us.* We have the right to sell, transfer or assign, in whole or in part, our interest in this Agreement.

12. DISPUTE RESOLUTION. The following provisions apply with respect to dispute resolution:

A. *Mediation.* Except for disputes that involve injunctive relief or specific performance actions covered under Section 12.B, the parties agree to mediate any dispute among, by, and/or between them, including but not limited to disputes among, by, and/or between any of our or your affiliates in connection with this Agreement, any lease or sublease for the SpeedPro Studio or Authorized Location, the parties' relationship, or the business; provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted in the county in which our headquarters are then located (currently, Arapahoe County, Colorado), by a mediator or mediation program mutually agreed to by the parties. Persons authorized to settle the dispute must attend any and all mediation session(s). The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute. The mediation shall be scheduled, if possible, within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days, or if one party refuses to participate in mediation as outlined herein, the parties are free to pursue resolution through the United States District Court for the District of Colorado or state courts in Arapahoe County, Colorado pursuant to the venue clause herein.

B. *Injunctive Relief.*

(1) Notwithstanding Section 12.A above, you recognize that the SpeedPro Studio is one of a large number of studios and stores identified by the Marks and similarly situated and selling to the public similar products, and the failure on the part of a single franchisee to comply with the terms of this Agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement by you, we will be entitled to a temporary restraining order and/or preliminary injunction restraining such breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by a court of competent jurisdiction.

(2) We and our affiliates have the right to commence a civil action against you or take other appropriate action without first mediating the dispute for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Marks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

C. *Attorneys' Fees.* The prevailing party in any action or proceeding arising under, out of, in connection with, or in any way related to and/or arising out of this Agreement, any lease or sublease for the SpeedPro Studio or Authorized Location, or the business will be entitled to recover all of its attorneys' fees and costs.

D. *Conflict with Applicable Laws.* If any provision of this Agreement violates any applicable federal or state law or regulation, then such law or regulation will apply and be deemed substituted for the conflicting provision of this Agreement.

13. **DEFAULT AND TERMINATION.** The following provisions apply with respect to default and termination:

A. *Defaults.* You are in default if we determine that you or any Principal Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us; intentionally understating or underreporting or failing to pay when due any amounts required to be paid to us or any of our affiliates; actions by you, a Principal Owner, or a guarantor that infringe upon, harm or contest our parent company's rights in any of the Marks or the goodwill associated with the Marks; or impair or tend to impair our reputation; any felony, filing of tax or other liens that may affect this Agreement; voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor; and insolvency or making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors. If you are in default hereunder and fail the timely cure the default, we may elect, in our sole discretion, to cease providing you certain services hereunder as set forth in Section 6.D, in lieu of immediate termination of this Agreement; provided however, that any such actions by us will not be deemed a waiver of any of our other rights or remedies that we may have under this Agreement or applicable law as a result of such uncured default (including, without limitation, the right to terminate this Agreement).

B. *Termination by Us.* We have the right to terminate this Agreement in accordance with the following provisions:

(1) **Termination After Opportunity to Cure.** Except as otherwise expressly provided in this Section 13.B or elsewhere in the Agreement: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports (including Gross Sales Reports, financial statements, tax returns or any other reports), in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by delivering to you written notice of termination that will identify the grounds for the termination; (iv) the termination will be effective immediately upon our issuance of the written notice of termination and (v) conducting e-commerce or engaging in social networking on the Internet using the Marks without our prior written approval, and failing to cure such default within 24 hours of our notice.

(2) **Immediate Termination With No Opportunity to Cure.** In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (i) any material misrepresentation or omission in your franchise application; (ii) your voluntary abandonment of this Agreement or the Authorized Location; (iii) the loss of your lease, the failure to timely cure a default under the lease or under any other agreement with us or our affiliates, or the loss of your right of possession or failure to reopen or relocate

under Section 5.F; (iv) any unauthorized use of Confidential Information; (v) voluntary or involuntary bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors (if any such proceeding is not dismissed within 30 days); (vi) any default under this Agreement that materially impairs the goodwill associated with any of the Marks; (vii) conviction of you, any Principal Owners, the Control Person, or guarantors of (or pleading no contest to) any felony regardless of the nature of the charges; (viii) any actions that infringe upon, harm or contest our or our affiliate's rights in any of the Marks or the goodwill associated with the Marks or impair or tend to impair our reputation; (ix) independently marketing on the Internet, (x) intentionally understating or underreporting Gross Sales, Royalty Fees or Marketing Fund Fees or any understatement or 1% variance on a subsequent audit within a three (3) year period under Section 9.K; (xi) failure to open the SpeedPro Studio by the Required Open Date, or failure to execute the lease (including the Consent and Agreement of Landlord) or the purchase agreement for the SpeedPro Studio by the date stated Section 2.C, or failure to open the SpeedPro Studio on the Grand Opening Date; (xii) any unauthorized transfer or assignment in violation of Section 11; (xiii) any default by you that is the third or any subsequent default under this Agreement within any 12-month consecutive period, regardless of whether the defaults were the same or different defaults and regardless of whether you timely cured such defaults; or (xiv) sale of printing-related equipment; .

(3) Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. *Termination by You*. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement; provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. However, if the breach cannot reasonably be cured within 30 days, you have the right to terminate this Agreement if, after our receipt of a written notice from you, we do not within 30 days undertake and continue efforts to cure the breach until completion. Your termination of this Agreement under this Section will not release or modify your post-Term obligations under Section 14 of this Agreement.

14. POST-TERM OBLIGATIONS. Upon the expiration or termination of this Agreement:

A. *Reversion of Rights; Discontinuation of Mark Use*. All of your rights to use the Marks and the System and all other rights and licenses granted herein (including, without limitation, your right to use Client Information) and the right and license to conduct business under the Marks and the System will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must cease holding yourself out as our franchisee. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the SpeedPro Studio (although we will not assume any past due obligations). You must immediately comply with the post-term non-compete obligations under Section 10.D, cease all use and display of the Marks and of any proprietary material (including the manuals and other Confidential Information and Client Information) and of all or any portion of any other materials furnished or approved by us, assign all right, title and interest in the telephone numbers for the SpeedPro Studio and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. In addition, if we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the average monthly

Royalty Fee or Minimum Royalty Fee (as the case may be) you, or your predecessor (if you purchased your studio from a prior franchisee less than 12-months before the termination) paid or owed to us during the 12-month period immediately preceding termination (or system-wide average Royalty Fees and/or Minimum Royalty Fees for such period if you have not been in business for full 12 months), multiplied by (a) 36 (being the number of months in three full years), or (b) the actual number of months remaining under this Agreement had it not been terminated, whichever is lower. You must immediately return to us, at your expense, all copies of the manual(s) and all Client Information in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.H. You must promptly at your expense and subject to Section 14.B, remove or obliterate all SpeedPro Studio signage, displays or other materials (electronic or tangible) in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks and so alter the appearance of the SpeedPro Studio as to differentiate the SpeedPro Studio unmistakably from duly licensed studios identified by the Marks. If you refuse to comply with the provisions of the preceding sentence, we have the right to enter the Authorized Location and remove all SpeedPro Studio signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Marks or names or material confusingly similar to the Marks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement.

**B. *Purchase Option.***

(1) We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your SpeedPro Studio that are owned by you or any of your affiliates, including, without limitation, the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the SpeedPro Studio at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the SpeedPro Studio's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Section within 30 days after the date of the expiration or termination of this Agreement. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party.

(2) If the Agreement is terminated, expires or otherwise is cancelled, the price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a SpeedPro Studio and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Marks and the System. In the event of expiration, however, the parties agree that you may elect not to include the land in the appraisal and option to purchase process. In this instance, you may elect to lease the land to us or our designee for a lease term of at least 10 years with two (2) five (5)-year options to renew and for a primary rate equal to fair market value according to the applicable Building Office Management Association Guidelines, unless otherwise agreed to by the parties.

(3) Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then

proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. You will pay the appraiser's fees and expenses. Our interest in the assets of the SpeedPro Studio that are owned by you, or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

(4) If we do not exercise our option to purchase under this Section, you may sell or lease the SpeedPro Studio premises to a third party purchaser; provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of two (2) years after the expiration or termination of this Agreement, not to use the premises for the operation of a business similar to that then conducted by our company-owned or franchised studios.

C. *Claims.* You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the SpeedPro business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one (1)-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

15. GENERAL PROVISIONS. The parties agree to the following provisions:

A. *Severability.* Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, the remainder of this Agreement will remain valid and in full force and effect. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must be enforced by specific performance or any other equitable remedy at the election of the party seeking enforcement.

B. *Waiver/Integration.* No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify Appendices and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by an express waiver in writing signed by you and us. This Agreement together with the addenda and appendices hereto and the application form executed by you requesting us to enter into this Agreement constitute the sole agreement between the parties with respect to the entire subject matter of this Agreement and embody all prior agreements and negotiations with respect to the business. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.

C. *Notices.* Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and

either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

If intended for us, addressed to:

SP FRANCHISING LLC  
Attn: Chief Executive Officer  
7000 Yosemite St., Suite 100  
Centennial, Colorado 80112  
Telephone: (844) 274-4784  
Facsimile: (720) 496-4964

If intended for you, addressed to you at \_\_\_\_\_, or at the Authorized Location; or, in either case, as the intended party may change such address by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. *Authority.* Any modification, consent, approval, authorization or express waiver to the terms of this Agreement will be valid only if in writing executed by both the Control Person on your behalf and by our Chief Executive Officer.

E. *References.* If the franchisee is two or more individuals, the individuals are jointly and severally liable, and references to “you” in this Agreement include all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. *Guarantee.* All Principal Owners of a franchisee that is a corporation, limited liability company, partnership or other legal entity must execute the form of undertaking and guarantee attached to this Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner pursuant to the provisions of Section 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement within Ten (10) days from the date such person or entity becomes a Principal Owner; provided, however, that any person or entity who becomes a Principal Owner shall automatically acquire all the obligations of a Principal Owner under this Agreement at the time such person or entity becomes a Principal Owner. Before approving and entering into any transaction that would make any person or entity a Principal Owner, you must notify such person about the content of this Section.

G. *Successors/Assigns.* Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. *Interpretation of Rights and Obligations.* The following provisions apply to and govern the interpretation of this Agreement, the parties’ rights under this Agreement, and the relationship between the parties:

(1) Applicable Law and Waiver. Subject to our rights under federal trademark laws, the parties’ rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Colorado, without regard to conflicts of law provisions. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which the Authorized Location is located.

(2) Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of Section 5.D and other express limitations set forth in this Agreement. All of our rights and remedies hereunder are cumulative, and no exercise or enforcement of any right or remedy will be exclusive of any other right or remedy permitted hereunder or which we are otherwise entitled by law to enforce.

(3) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving client service and satisfaction, improving product and service quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. *Venue and Choice of Law.* Any cause of action, claim, suit or demand among, by, and/or between you or us, including but not limited to disputes among, by, and/or between any of our or your affiliates arising out of, related to, or in connection with this Agreement or the relationship of the parties must be brought in either the United States District Court for the District of Colorado or Arapahoe County District Court, Colorado only. The parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts regardless of which state the franchisee operates. All issues and questions concerning the construction, validity, enforcement and/or interpretation of this Agreement and/or any cause of action, claim, suit or demand among, by, and/or between you or us, including but not limited to disputes among, by, and/or between any of our or your affiliates arising out of, related to, or in connection with this Agreement or the relationship of the parties, whether sounding in tort or contract, shall be governed by, and construed in accordance with, the laws of the State of Colorado, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Colorado or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Colorado. The provisions of this Section will survive the termination of this Agreement.

J. *Jury Waiver.* The parties knowingly, willingly, and irrevocably waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, any cause of action, claim, suit or demand among, by, and/or between you or us, including but not limited to disputes among, by, and/or between any of our or your affiliates arising out of, related to, or in connection with this and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. *Waiver of Punitive Damages.* You and your affiliates and we and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. *Relationship of the Parties.* You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, (i) all contracts, purchases and other transactions in connection with your SpeedPro Studio business will be made in your name; and (ii) we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

M. *Force Majeure.* Any failure of performance of this Agreement according to its terms by any party due to force majeure will not be deemed a breach of this Agreement. For purposes of this Agreement, “force majeure” means acts of God, State or governmental action, riots, disturbance, war, strikes, lockouts, slowdowns, prolonged shortage of energy supplies or any raw material, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion or other similar event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of any party hereto, which prevents in whole or in material part the performance by one of the parties hereto of its obligations hereunder.

N. *Adaptations and Variances.* Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary standards, specifications, and requirements for any franchised SpeedPro Studio or franchisee based upon the customs or circumstances of a particular franchise agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such SpeedPro Studio, franchisee’s business or the System. We are not required to grant to you a similar or other variation as a result of any variation from standard specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. *Notice of Potential Profit.* We and/or our affiliates may from time to time make available to you or require you to purchase goods, products and/or services for use in your SpeedPro Studio on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. *Effective Date.* We will designate the “Effective Date” of this Agreement in the space provided in the Summary Pages. If no Effective Date is designated on the Summary Pages, the Effective Date is the date when we sign this Agreement. However, as described in Section 5.A, you do not have the right to, and may not, open and commence operation of a SpeedPro Studio until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

Q. *Regional Developers.* You acknowledge that we may contract with Regional Developers (each, a “RD”) to assume and perform, as an independent contractor and not as our agent, all or certain of our responsibilities under this Agreement. We will give you written notice of the RD for your location and that RD’s address. Until you are otherwise notified in writing by us, the RD will have contractual obligations to fulfill certain rights and duties under this Agreement.

***(Signature Page Follows)***



**IN WITNESS WHEREOF**, the parties have executed this Franchise Agreement on the dates written below.

FRANCHISEE:

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

FRANCHISOR:

SP FRANCHISING LLC

Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

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

In consideration of the execution of the Franchise Agreement (the "Agreement") between SP FRANCHISING LLC ("we" or "us") and \_\_\_\_\_ (the "Franchisee"), dated \_\_\_\_\_ and for other good and valuable consideration, the undersigned guarantor(s), for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Franchisee, including without limitation the mediation and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete provisions in Section 10.D, and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned waive: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (3) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

***(Signature Page Follows)***

FRANCHISEE: \_\_\_\_\_

PERSONAL GUARANTORS:

|              |       |          |
|--------------|-------|----------|
| _____        |       |          |
| Individually |       |          |
| _____        |       |          |
| Print Name   |       |          |
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|--------------|-------|----------|
| _____        |       |          |
| Individually |       |          |
| _____        |       |          |
| Print Name   |       |          |
| _____        |       |          |
| Address      |       |          |
| _____        |       |          |
| City         | State | Zip Code |
| _____        |       |          |
| Telephone    |       |          |
| _____        |       |          |
| Individually |       |          |
| _____        |       |          |
| Print Name   |       |          |
| _____        |       |          |
| Address      |       |          |
| _____        |       |          |
| City         | State | Zip Code |
| _____        |       |          |
| Telephone    |       |          |

OWNERSHIP AND MANAGEMENT ADDENDUM TO  
SPEEDPRO FRANCHISE AGREEMENT

1. Control Person. You represent and warrant to us that the following person, and only the following person, is the Control Person:

NAME

TITLE

ADDRESS

---

2. Ownership. You represent and warrant to us that the following person(s) and entities, and only the following person(s) and entities, have ownership interests in the franchisee entity:

NAME

HOME ADDRESS

PERCENTAGE  
OF INTEREST

PERSON A

PERSON B

3. Change. You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

4. Effective Date. This Addendum is effective as of this \_\_\_\_\_.

---

Your Initials




---

Our Initials

Appendix A to the Franchise Agreement

Marks

You have the right to use the following Marks in accordance with the terms of the Franchise Agreement:

| Mark                                                                              | Registration Date | Registration Number |
|-----------------------------------------------------------------------------------|-------------------|---------------------|
|  | July 11, 2019     | 5,975,938           |
|  | December 29, 2009 | 3,730,894           |
|  | January 15, 2015  | 5,004,209           |
| SPEEDPRO                                                                          | MAY 13, 1997      | 2,060,515           |
| INFOLNKX                                                                          | January 12, 2021  | 6,247,489           |

We may amend this Appendix A from time to time in order to make available additional Marks or to delete those Marks that become unavailable. You agree to use only those Marks that are then-currently authorized.

The Marks must be used only in the manner that we specify. No deviations will be permitted.

Appendix B to the Franchise Agreement  
**The Territory**

The Authorized Location for your SpeedPro Studio as set forth in Section 2.A of your Franchise Agreement is as follows: SPEEDPRO STUDIO NAME.

As stated in Section 2.B of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Territory in which you will locate and operate the SpeedPro Studio is defined as follows:

ZIPS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The Territory is considered fixed as of the date of the Franchise Agreement.

FRANCHISEE:

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

US:

SP FRANCHISING LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Appendix C to the Franchise Agreement

**SP FRANCHISING LLC**

**CONSENT AND AGREEMENT OF LANDLORD**

The undersigned Landlord hereby:

- A. Agrees that the leased Premises will only be used as a SpeedPro Studio;
- B. Agrees that Franchisor has the right to enter the Premises to make any modifications necessary to protect Franchisor's Proprietary Marks, trade dress and System;
- C. Upon written request from Franchisor, Franchisee agrees to provide Franchisor with a current copy of the lease;
- D. Agrees to notify Franchisor in writing of and upon the failure of Lessee to cure any default by Lessee under the Lease;
- E. Agrees that Franchisor will have the option, but not the obligation, to assume or renew the lease and the occupancy of the Premises, including the right to sublease to another Franchisee, for all or any part of the remaining term of the Lease, upon Franchisee's default of the Lease and failure to cure such default within the cure period specified therein; or upon Franchisee's default of the Franchise Agreement and failure to cure such default within the cure period or the termination or expiration of the Franchise Agreement, and in connection with said assumption Franchisor will not be obligated to pay to the Landlord past due rent, common area maintenance and other charges attributable to more than one (1) month. The Landlord shall give Franchisor thirty (30) days, upon termination of Franchisee's rights under the Lease, to exercise this option; and
- F. Agrees that the Lease may not be amended, assigned, or sublet without Franchisor's prior written approval.

Dated: \_\_\_\_\_

LANDLORD:

\_\_\_\_\_

a/an \_\_\_\_\_ corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

Appendix D to the Franchise Agreement

**AUTHORIZATION REGARDING ELECTRONIC REMITTANCE SYSTEM**

PAYEE

BANK NAME

ACCOUNT NO.

SP Franchising LLC

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

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

(1) 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.

(2) To indemnify the 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.

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

Name of Depository (Franchisee's Bank): \_\_\_\_\_

Bank Address: \_\_\_\_\_

Bank Telephone Number: \_\_\_\_\_ Bank Fax Number: \_\_\_\_\_

Account No.: \_\_\_\_\_ Routing No.: \_\_\_\_\_

(Please attach one voided check for the above account.)

Name of Franchisee/Depositor as Listed on Account: \_\_\_\_\_

Franchisee's SpeedPro Studio Address: \_\_\_\_\_

Address, City, State, Zip Code

Franchisee's Telephone Number: \_\_\_\_\_

By \_\_\_\_\_

Franchisee's Authorized Representative

Title

Date: \_\_\_\_\_



Appendix E to the Franchise Agreement

**START-UP PACKAGE  
OPENING INVENTORY LIST**

**A. EQUIPMENT**

Roll to Roll Printer System with ink cartridges, cleaning cartridges & accessory pack  
Roll to Roll Extended Warranty  
Plotter/Cutter  
Large Format Laminating Unit  
22' Ladder  
Drill/Driver Kit w/ Tool Set  
Desktop All-In-One (Copy, Print, Scan, Fax) Printer  
Substrate cutter with stand & catch basket  
Grommet Machine

**B. FIXTURES**

Large Work Table - Production Table  
Production Table Cutting Mat  
Banner Stands Various  
Media Racks  
Substrate Rack  
Interior Graphics - printed during training

**C. INVENTORY (PRODUCTION MATERIAL)**

Laminate  
Premium Cast Vinyl  
Window Perforated Vinyl  
Foamboard  
PhotoTex Fabric Paper  
Retractable banner media  
Calendared Vinyl  
PVC Banner  
4' x 8' White Coroplast  
4' x 8' Black 3mil PVC  
4' x 8' White 3mil PVC  
.040 Styrene  
Black Ultraboard  
White Ultraboard  
3/16" Straight Edge  
Application Squeegees  
Utility Knives  
Wall Test Kit  
Poster Paper

Installation Accessories  
Banner Tape  
Media ID Cards  
Sign Standoffs

**D. COMPUTERS, SOFTWARE & INTELLECTUAL PROPERTY**

SpeedPro Operations Manual  
SpeedPro Parts, Products & Applications Book  
SpeedPro Studio website creation  
SpeedPro Sales Kit  
Graphics Computer, with operating Software  
Laptop Computer - Owner Laptop, with operating Software  
Marketing Computer with operating Software  
RIP Computer with operating Software  
Color Monitors  
Wireless Keyboards & Mice  
Cables for Computers/Monitors  
RIP software  
Adobe Creative Cloud Design Software (1st year subscription from effective date)  
Microsoft Online Software (1st year subscription from effective date)  
Workflow & POS software system (1st year subscription from effective date)  
CRM Software (1<sup>st</sup> year subscription from effective date)  
Data storage (1<sup>st</sup> year subscription from effective date)  
Email accounts (five accounts for 1<sup>st</sup> year from effective date)  
Pantone Color Book

Note: Any items on this Appendix E are subject to change.

## **FRANCHISEE QUESTIONNAIRE**

***[To be completed by Franchisee and all Owners before signing Franchise Agreement]***

**California Franchisees should not complete the Questionnaire.**

**Do not sign this Questionnaire if you are a resident of Maryland or  
your business will operate in Maryland.**

As you know, you are about to enter into a franchise agreement for the development, opening and operation of a SpeedPro Studio with and SP FRANCHISING LLC (the “**Franchisor**”). Please review each of the following questions carefully and provide honest and complete responses to each question. **None of the following questions are intended to cause you to surrender or believe that you have surrendered rights to which you are entitled under federal or state law or to shift Franchisor’s disclosure duties under federal or state law to you.**

**WHERE REQUESTED OR NECESSARY TO ANSWER ANY QUESTION, GIVE A COMPLETE EXPLANATION OF ANY RESPONSES ON THE LAST PAGE (REFER TO QUESTION NUMBER)**

- |                              |                             |                                                                                                                                                                                                                                                                                |
|------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 1. Did you receive the Franchise Disclosure Document ("FDD") that Franchisor provided to you?                                                                                                                                                                                  |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 2. Did you sign a receipt for the FDD and include the date you received the FDD?                                                                                                                                                                                               |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 3. Did you return the Receipt to the Franchisor?                                                                                                                                                                                                                               |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 4. Did you receive the Franchise Agreement and all exhibits or schedules attached to the Franchise Agreement? If any exhibits or schedules were not attached, please identify any missing exhibit or schedule on the Explanation of Responses attached.                        |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 5. Were all of the blanks in the Franchise Agreement filled in? If not, please identify any missing information on the Explanation of Responses attached.                                                                                                                      |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 6. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?                  |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> | 7. Did any broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a SpeedPro Studio that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD? |

- Yes ☐ No ☐ 8. Did any broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a SpeedPro Studio will generate, that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?
- Yes ☐ No ☐ 9. Did any broker, employee or other person speaking on our behalf make any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is different from the information contained in the Franchise Disclosure Document?
- Yes ☐ No ☐ 10. Did any broker, employee or other person providing services to you on our behalf solicit or accept any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a SpeedPro Studio purchase with exception of those payments or loans provided in the FDD and Franchise Agreement?

**PROSPECTIVE FRANCHISEES/APPLICANTS :**

By : \_\_\_\_\_ By: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_

**Each person who signs or guarantees the Franchise Agreement must sign and date a copy of this Franchisee Questionnaire and return it to SP FRANCHISING LLC, Attention: Paul Brewster, 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112, prior to signing the Franchise Agreement.**

**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.**

**The Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act. RCW 19.100 and the rules adopted thereunder.**

**Washington franchisees should not sign this Questionnaire.**

**EXPLANATION OF RESPONSES TO**  
**FRANCHISEE QUESTIONNAIRE STATEMENT**

| <b>Question<br/>Number</b> | <b>Explanation</b> |
|----------------------------|--------------------|
|                            |                    |
|                            |                    |
|                            |                    |
|                            |                    |
|                            |                    |



**Exhibit C  
to SP Franchising LLC  
Franchise Disclosure Document**

**FINANCIAL STATEMENTS**

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# SP Franchising LLC

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**Financial Report**  
**December 31, 2024**

|                                     |      |
|-------------------------------------|------|
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| <b>Financial Statements</b>         |      |
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## **Independent Auditor's Report**

To the Audit Committee  
SP Franchising LLC

### ***Opinion***

We have audited the financial statements of SP Franchising LLC (the "Company"), which comprise the balance sheet as of December 31, 2024, 2023, and 2022 and the related statements of operations, member's equity, and cash flows for the years then ended, and the 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, 2023, and 2022 and the results of its operations and its cash flows for the years then ended 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 Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audits 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 audits 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Audit Committee  
SP Franchising LLC

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

March 14, 2025

# Balance Sheet

December 31, 2024, 2023, and 2022

|                                                                 | 2024                       | 2023                       | 2022                       |
|-----------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Assets</b>                                                   |                            |                            |                            |
| <b>Current Assets</b>                                           |                            |                            |                            |
| Cash                                                            | \$ 3,583,504               | \$ 2,652,689               | \$ 1,214,826               |
| Restricted cash - Marketing fund                                | 568,403                    | 532,829                    | 552,137                    |
| Accounts receivable - Net                                       | 521,041                    | 519,515                    | 499,204                    |
| Deferred franchise costs - Current portion                      | 101,277                    | 159,998                    | 91,193                     |
| Due from parent                                                 | 2,372,378                  | 1,347,862                  | 878,273                    |
| Prepaid expenses                                                | 134,473                    | 200,758                    | 199,499                    |
| Total current assets                                            | 7,281,076                  | 5,413,651                  | 3,435,132                  |
| <b>Property and Equipment - Net</b>                             | 114,465                    | 62,079                     | 16,805                     |
| <b>Right-of-use Operating Lease Assets - Net</b>                | 570,794                    | 79,705                     | 199,720                    |
| <b>Goodwill - Net</b>                                           | -                          | 274,111                    | 1,163,121                  |
| <b>Intangible Assets - Net</b>                                  | 747,063                    | 987,836                    | 1,233,676                  |
| <b>Other Assets</b>                                             |                            |                            |                            |
| Deferred franchise costs - Net of current portion               | 481,910                    | 458,075                    | 472,037                    |
| Deposit                                                         | 10,165                     | 10,165                     | 10,165                     |
| Total other assets                                              | 492,075                    | 468,240                    | 482,202                    |
| Total assets                                                    | <u><u>\$ 9,205,473</u></u> | <u><u>\$ 7,285,622</u></u> | <u><u>\$ 6,530,656</u></u> |
| <b>Liabilities and Member's Equity</b>                          |                            |                            |                            |
| <b>Current Liabilities</b>                                      |                            |                            |                            |
| Accounts payable                                                | \$ 144,770                 | \$ 200,707                 | \$ 168,844                 |
| Marketing fund payable                                          | 20,939                     | 11,211                     | 27,783                     |
| Lease liabilities - Operating - Current portion                 | 109,389                    | 81,445                     | 120,420                    |
| Deferred revenue - Current portion                              | 305,163                    | 414,326                    | 185,891                    |
| Accrued expenses                                                | 460,332                    | 401,671                    | 182,756                    |
| Total current liabilities                                       | 1,040,593                  | 1,109,360                  | 685,694                    |
| <b>Long-term Debt</b>                                           | 150,000                    | 150,000                    | 150,000                    |
| <b>Lease Liabilities - Operating - Net of current portion</b>   | 493,217                    | -                          | 81,446                     |
| <b>Other Long-term Liabilities - Vested appreciation rights</b> | 152,000                    | -                          | -                          |
| <b>Deferred Revenue - Net of current portion</b>                | 755,632                    | 718,948                    | 823,272                    |
| Total liabilities                                               | 2,591,442                  | 1,978,308                  | 1,740,412                  |
| <b>Member's Equity</b>                                          | 6,614,031                  | 5,307,314                  | 4,790,244                  |
| Total liabilities and member's equity                           | <u><u>\$ 9,205,473</u></u> | <u><u>\$ 7,285,622</u></u> | <u><u>\$ 6,530,656</u></u> |

## Statement of Operations

**Years Ended December 31, 2024, 2023, and 2022**

|                                      | 2024                | 2023              | 2022              |
|--------------------------------------|---------------------|-------------------|-------------------|
| <b>Revenue</b>                       |                     |                   |                   |
| Royalty revenue                      | \$ 5,104,730        | \$ 4,915,345      | \$ 4,721,004      |
| Franchise fees                       | 314,929             | 412,212           | 304,423           |
| Equipment and supply revenue         | 75,703              | 121,523           | 217,199           |
| Other revenue                        | 1,634,834           | 720,906           | 1,033,043         |
| Marketing fund revenue               | 1,523,284           | 1,555,115         | 1,411,186         |
| Total revenue                        | 8,653,480           | 7,725,101         | 7,686,855         |
| <b>Operating Expenses</b>            |                     |                   |                   |
| Cost of revenue                      | 1,904,571           | 1,420,559         | 1,712,612         |
| Franchise development                | 745,464             | 692,141           | 547,981           |
| Personnel costs                      | 1,280,018           | 1,235,311         | 1,398,876         |
| Amortization and depreciation        | 543,862             | 1,163,017         | 1,152,369         |
| General and administrative expenses  | 1,462,543           | 1,242,823         | 1,238,684         |
| Marketing fund expenses              | 1,495,269           | 1,475,778         | 1,188,396         |
| Total operating expenses             | 7,431,727           | 7,229,629         | 7,238,918         |
| <b>Operating Income</b>              | 1,221,753           | 495,472           | 447,937           |
| <b>Nonoperating Income (Expense)</b> |                     |                   |                   |
| Interest income                      | 92,229              | 28,842            | -                 |
| Interest expense                     | (7,265)             | (7,244)           | (14,348)          |
| Total nonoperating income (expense)  | 84,964              | 21,598            | (14,348)          |
| <b>Net Income</b>                    | <b>\$ 1,306,717</b> | <b>\$ 517,070</b> | <b>\$ 433,589</b> |

**Statement of Member's Equity**

**Years Ended December 31, 2024, 2023, and 2022**

|                                    |                            |
|------------------------------------|----------------------------|
| <b>Balance</b> - January 1, 2022   | \$ 4,356,655               |
| Net income                         | <u>433,589</u>             |
| <b>Balance</b> - December 31, 2022 | 4,790,244                  |
| Net income                         | <u>517,070</u>             |
| <b>Balance</b> - December 31, 2023 | 5,307,314                  |
| Net income                         | <u>1,306,717</u>           |
| <b>Balance</b> - December 31, 2024 | <u><u>\$ 6,614,031</u></u> |

## Statement of Cash Flows

Years Ended December 31, 2024, 2023, and 2022

|                                                                                                                            | 2024                       | 2023                       | 2022                       |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>                                                                                |                            |                            |                            |
| Net income                                                                                                                 | \$ 1,306,717               | \$ 517,070                 | \$ 433,589                 |
| Adjustments to reconcile net income to net cash and restricted cash from operating activities:                             |                            |                            |                            |
| Depreciation and amortization                                                                                              | 543,862                    | 1,163,017                  | 1,155,764                  |
| Gain on disposal of property and equipment                                                                                 | -                          | -                          | (17,000)                   |
| Amortization of right-of-use operating lease asset                                                                         | 114,891                    | 120,015                    | 123,286                    |
| Credit loss expense                                                                                                        | 1,715                      | 3,383                      | 9,643                      |
| Noncash expense - Change in fair value of appreciation rights liability                                                    | 152,000                    | -                          | -                          |
| Changes in operating assets and liabilities that (used) provided cash and restricted cash:                                 |                            |                            |                            |
| Accounts receivable                                                                                                        | (3,241)                    | (23,694)                   | (49,014)                   |
| Deferred franchise costs                                                                                                   | 34,886                     | (54,843)                   | (7,782)                    |
| Prepaid expenses                                                                                                           | 66,285                     | (1,259)                    | (3,205)                    |
| Accounts payable                                                                                                           | (55,937)                   | 31,863                     | (3,140)                    |
| Accrued expenses                                                                                                           | 58,661                     | 218,915                    | (195,902)                  |
| Marketing fund payable                                                                                                     | 9,728                      | (16,572)                   | 27,783                     |
| Deferred revenue                                                                                                           | (72,479)                   | 124,111                    | (279,953)                  |
| Change in operating lease liabilities                                                                                      | (84,819)                   | (120,421)                  | (121,140)                  |
| Net cash and restricted cash provided by operating activities                                                              | 2,072,269                  | 1,961,585                  | 1,072,929                  |
| <b>Cash Flows from Investing Activities</b>                                                                                |                            |                            |                            |
| Purchase of property and equipment                                                                                         | (81,364)                   | (73,441)                   | -                          |
| Proceeds from disposition of property and equipment                                                                        | -                          | -                          | 17,000                     |
| Net funding of due to/from parent                                                                                          | (1,024,516)                | (469,589)                  | (324,692)                  |
| Net cash and restricted cash used in investing activities                                                                  | (1,105,880)                | (543,030)                  | (307,692)                  |
| <b>Cash Flows Used in Financing Activities - Payments on long-term debt</b>                                                | -                          | -                          | (53,486)                   |
| <b>Net Increase in Cash and Restricted Cash</b>                                                                            | 966,389                    | 1,418,555                  | 711,751                    |
| <b>Cash and Restricted Cash - Beginning of year</b>                                                                        | 3,185,518                  | 1,766,963                  | 1,055,212                  |
| <b>Cash and Restricted Cash - End of year</b>                                                                              | <u><u>\$ 4,151,907</u></u> | <u><u>\$ 3,185,518</u></u> | <u><u>\$ 1,766,963</u></u> |
| <b>Classification of Cash and Restricted Cash</b>                                                                          |                            |                            |                            |
| Cash                                                                                                                       | \$ 3,583,504               | \$ 2,652,689               | \$ 1,214,826               |
| Restricted cash                                                                                                            | 568,403                    | 532,829                    | 552,137                    |
| Total cash and restricted cash                                                                                             | <u><u>\$ 4,151,907</u></u> | <u><u>\$ 3,185,518</u></u> | <u><u>\$ 1,766,963</u></u> |
| <b>Supplemental Cash Flow Information - Cash paid for interest</b>                                                         | \$ 10,318                  | \$ 10,297                  | \$ -                       |
| <b>Significant Noncash Transactions - Operating lease obligation associated with acquisition of new right-of-use asset</b> | \$ 605,980                 | \$ -                       | \$ -                       |

Notes to Financial Statements

December 31, 2024, 2023, and 2022

Note 1 - Nature of Business

SP Franchising LLC (SPF or the "Company") was formed on April 8, 2014 under the laws of the State of Delaware. The Company is a wholly owned subsidiary of SP IP LLC (SP IP or the "Parent"). SP IP is a wholly owned subsidiary of SP Equity Holdings (SP EH). Fairfield SPF, Inc. (Fairfield or the "Ultimate Parent") holds all of the outstanding membership units of SP EH.

The Company is in the business of granting franchises for the establishment and operation of centers of premium, large-format printing, reprographics, design, installation, and related services under the service mark SpeedPro.

During the years ended December 31, 2024, 2023, and 2022, 7, 0, and 2 franchise outlets were opened, respectively, and 4, 4, and 1 franchise outlets were closed, respectively. As of December 31, 2024, 2023, and 2022, there were 121, 118, and 122 franchise outlets in operation, respectively, which were located in 31 states in the United States. As of December 31, 2024, 2023, and 2022, there were 6, 6, and 1 new franchise agreements signed but not yet open, respectively.

SP IP licensed the trademarks and other intellectual property relating to the SpeedPro franchise system to the Company under a revocable royalty-free perpetual license agreement (the "License"). The License grants the Company the right to use this trademark and other intellectual property for licensing it to franchisees of the Company in the United States.

Note 2 - Significant Accounting Policies

*Basis of Presentation*

The financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The Company has elected to adopt certain accounting alternatives for private companies developed by the Private Company Council, including the private company accounting alternative for goodwill.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Restricted Cash*

Restricted cash consists of contributions to the marketing fund by the Company's franchisees. These funds are restricted for the purpose of satisfying costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, and/or promotional materials and any other activities.

*Property and Equipment*

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

|                        | Depreciable Life - Years                              |
|------------------------|-------------------------------------------------------|
| Furniture and fixtures | 5-7                                                   |
| Equipment              | 5                                                     |
| Vehicles               | 5                                                     |
| Software               | 3                                                     |
| Leasehold improvements | Shorter of estimated useful life or life of the lease |

**December 31, 2024, 2023, and 2022****Note 2 - Significant Accounting Policies (Continued)*****Trade Accounts Receivable***

The Company's trade accounts receivable balance consists of amounts due from its customers. Trade accounts receivable are stated at invoice amounts. A reserve for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company collectively evaluates trade receivables to determine the reserve for credit losses based on risk characteristics of the Company's franchisees. The Company calculates the reserve using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. Uncollectible amounts are written off against the reserve for doubtful accounts in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. The Company has determined that there is a minimal risk of credit losses based on historical loss experience. The Company's reserve for credit losses as of December 31, 2024 and 2023 was \$4,617 and \$2,902, respectively. There was no reserve for credit losses recorded as of December 31, 2022.

***Concentration of Credit Risk***

The Company grants credit in the normal course of business to franchisees related to the collection of royalties and other operating revenue. In select cases, credit is issued for initial franchise fees and area director franchise fees. The Company periodically performs credit analyses and monitors the financial condition of the franchisees to reduce credit risk.

***Goodwill***

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition.

The Company has elected to apply the private company accounting alternative for goodwill developed by the Private Company Council. Under the accounting alternative, goodwill is amortized on a straight-line basis over a 10-year period. Additionally, goodwill is assessed for potential impairment if events occur or circumstances change that indicate the fair value of the goodwill may be less than its carrying value. The Company has elected to test goodwill for impairment at the entitywide level.

No impairment charge was recognized during the years ended December 31, 2024, 2023, and 2022.

***Intangible Assets***

Acquired intangible assets subject to amortization, including franchise agreements, are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which ranges from 9 to 22 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

***Impairment of Long-lived Assets***

The Company reviews the recoverability of long-lived assets, including equipment and intangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

No impairment charges were recognized during the years ended December 31, 2024, 2023, and 2022.



**December 31, 2024, 2023, and 2022****Note 2 - Significant Accounting Policies (Continued)*****Revenue Recognition***

The Company's revenue mainly consists of franchise fees, royalties, equipment and supply, marketing fund revenue, technology fees and sponsorship/convention revenue. The Company sells individual franchisees the right to operate a company location within a defined territory using the name. The initial term of franchise agreements is typically 10 years (previously 10 to 20 years) with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer or renewal fee is typically paid.

With the adoption of ASC 606, the Company is required to identify its obligations under contracts with customers and evaluate the amount and timing of revenue recognition. The Company has obligations to provide franchisees with the franchise rights to operate a SpeedPro printing center, training, and site selection. The Company also provides technology and marketing, for which fees are charged. The Company has concluded that site selection and training are distinct performance obligations, as they are not brand specific. Therefore, the initial franchise fee is allocated to the distinct obligations and the franchise right for each individual franchise. The distinct obligations are recognized over the period of services measured on the output method of time incurred as the obligation is satisfied. The franchise right is recognized over the term of the respective franchise agreement beginning on the date executed. Technology services are recognized monthly as earned. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized over the term of the franchise agreement beginning at the time of transfer. Income from royalties and marketing fees is recognized over the term of the respective franchise agreement as the underlying sales occur.

When a franchise agreement is mutually terminated or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligations need to be satisfied, and the initial franchise fee is not refundable per the franchise agreement.

The Company entered into area development agreements with franchisees. The development agreement is for a specified territory and requires an upfront development fee for each expected location, payable upon execution of the development agreement, with the balance of the full franchise fee for each location due upon lease execution. The number of units in the development agreement, the geographic territory outline, and the length of time that the franchisee has the exclusive right to develop those units vary by the territory and the agreement between the Company and the franchisee. The area development agreement is considered a part of the overall contract between the Company and the franchisee, as it is negotiated with a single commercial objective to open a specific number of locations in a defined geographic territory or market. These area development agreements represent an attribute of the franchise right (single performance obligation with the franchise right).

**Payment Terms**

The Company's franchise agreements require the payment of various fixed and variable fees. Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is executed and are nonrefundable. These fees are collected prior to the satisfaction of the Company's performance obligations, resulting in the Company recognizing deferred revenue contract liabilities. Royalties and marketing fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Deferred revenue at January 1, 2022 was \$1,289,116. Trade accounts receivable at January 1, 2022 were \$459,833. During the years ended December 31, 2024, 2023, and 2022, the Company recognized approximately \$213,000, \$285,000, and \$172,000, respectively, of revenue that was included in deferred revenue at January 1, 2024, 2023, and 2022, respectively.

**December 31, 2024, 2023, and 2022****Note 2 - Significant Accounting Policies (Continued)****Allocating the Transaction Price**

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees the franchise rights to open and operate a shop. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that the agreements will not be canceled or modified.

Franchise agreements have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties and marketing fees, as the transaction price is based on the franchisees sales. The variable consideration is recognized based on the actual amounts earned each month.

The Company allocates consideration to the various distinct obligations based on the observable stand-alone selling price of the services or goods provided based upon either fees charged by the Company for the stand-alone service or based on the observable stand-alone selling price of third-party service providers for similar services or on a cost-plus-margin basis. The remaining consideration is allocated to the franchise right.

**Cost of Obtaining a Franchise Agreement**

The Company incurs broker or sales commission expenses paid to third parties to obtain franchise agreements with franchisees. These costs are deferred and recognized over the term of the respective franchise agreement. Amortization of costs to obtain franchise agreements totaled \$201,407, \$223,808, and \$174,904 during the years ended December 31, 2024, 2023, and 2022, respectively.

**Marketing Fund Revenue Recognition**

Under the terms of the standard franchise agreement, the Company has established a marketing fund and charges a fee of up to 2 percent of each franchisee's gross receipts to pay for advertising costs that benefit multiple franchisees and promotes the brand. Because these marketing services are a component of the franchise right for which the Company acts as the principal, marketing revenue is presented gross of the related costs. The Company recognizes this sales-based marketing revenue as earned and recognizes the related marketing expenses as incurred.

**Leases**

The Company has operating leases for its office space and other equipment. The equipment lease expired in 2023 and was not renewed. The Company recognizes expense for operating leases on a straight-line basis over the lease term.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all classes of leases.

**Advertising Expense**

Advertising expense is expensed in the period in which it is incurred. Advertising expense for 2024, 2023, and 2022 was \$312,310, \$319,107, and \$272,861, respectively.

**Income Taxes**

The Company is a single-member limited liability company and, as such, is treated as a division of the Ultimate Parent for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes; therefore, the Company itself does not file an income tax return separate and apart from the Ultimate Parent.

The Company is subject to certain state and local taxes that are not significant.

# Notes to Financial Statements

**December 31, 2024, 2023, and 2022**

## Note 2 - Significant Accounting Policies (Continued)

### Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 14, 2025, which is the date the financial statements were available to be issued.

## Note 3 - Property and Equipment

Property and equipment are summarized as follows:

|                            | 2024              | 2023             | 2022             |
|----------------------------|-------------------|------------------|------------------|
| Equipment                  | \$ 234,441        | \$ 153,076       | \$ 115,846       |
| Furniture and fixtures     | 83,771            | 83,771           | 73,810           |
| Leasehold improvements     | 29,426            | 29,426           | 29,426           |
| Software                   | 43,066            | 43,066           | 16,816           |
| Total cost                 | 390,704           | 309,339          | 235,898          |
| Accumulated depreciation   | 276,239           | 247,260          | 219,093          |
| Net property and equipment | <u>\$ 114,465</u> | <u>\$ 62,079</u> | <u>\$ 16,805</u> |

Depreciation expense for 2024, 2023, and 2022 was \$28,978, \$28,167, and \$16,172, respectively.

## Note 4 - Intangible Assets and Goodwill

Intangible assets of the Company at December 31, 2024, 2023, and 2022 are summarized as follows:

|                      | 2024                  |                          | 2023                  |                          | 2022                  |                          |
|----------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
|                      | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Franchise agreements | <u>\$ 2,573,521</u>   | <u>\$ 1,826,458</u>      | <u>\$ 2,573,521</u>   | <u>\$ 1,585,685</u>      | <u>\$ 2,573,521</u>   | <u>\$ 1,339,845</u>      |

Amortization expense for franchise agreements totaled \$240,773, \$245,840, and \$247,187 for the years ended December 31, 2024, 2023, and 2022, respectively.

Estimated amortization expense for the years ending December 31 is as follows:

| Years Ending | Amount            |
|--------------|-------------------|
| 2025         | \$ 150,991        |
| 2026         | 131,733           |
| 2027         | 121,498           |
| 2028         | 103,667           |
| 2029         | 78,668            |
| Thereafter   | 160,506           |
| Total        | <u>\$ 747,063</u> |

Periodically, the Company repurchases territories held by regional developers under master development agreements. The master development agreements entitled the regional developers to a portion of certain revenue generated in the territories, which will now be retained wholly by the Company. The valuation technique utilized in the acquisition considered the trailing 12 months' royalties from the territories as a basis for the anticipated royalty stream over the remaining life of the contract. The reacquired rights were recorded under the purchase method of accounting and are included in the franchise agreement intangibles above. There were no acquisition-related costs for the years ended December 31, 2024, 2023, and 2022.

# Notes to Financial Statements

December 31, 2024, 2023, and 2022

## Note 4 - Intangible Assets and Goodwill (Continued)

The recorded amounts of goodwill at December 31, 2024, 2023, and 2022 are as follows:

|                          | 2024         | 2023         | 2022         |
|--------------------------|--------------|--------------|--------------|
| Goodwill                 | \$ 8,890,096 | \$ 8,890,096 | \$ 8,890,096 |
| Accumulated amortization | (8,890,096)  | (8,615,985)  | (7,726,975)  |
| Net carrying value       | \$ -         | \$ 274,111   | \$ 1,163,121 |

Amortization expense for goodwill totaled \$274,111 for the year ended December 31, 2024 and \$889,010 for the years ended December 31, 2023 and 2022.

## Note 5 - Line of Credit

Effective October 27, 2022, under a line of credit agreement with a bank, the Company has available borrowings of approximately \$500,000. The line of credit agreement was scheduled to mature on October 27, 2024, at which point it was renewed and extended through October 27, 2026. There were no outstanding borrowings on the line of credit as of December 31, 2024, 2023, or 2022, and there were no borrowings on the line of credit in 2024, 2023, or 2022. Interest is payable monthly at a variable rate based on *The Wall Street Journal* U.S. prime rate. The line of credit is collateralized by substantially all assets of the Company. Under the agreement with the bank, the Company is subject to certain covenants including a debt to EBITDA-based ratio.

## Note 6 - Long-term Debt

Long-term debt at December 31 is as follows:

|                                                                                                                                                                                                                                                                                        | 2024       | 2023       | 2022       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Unsecured Economic Injury Disaster Loan payable to a bank. The note payable is due in monthly installments of \$773, including interest at 3.75 percent, beginning in January 2023. Payments will be applied to accrued interest only until June 2027. The note is due on July 1, 2050 | \$ 150,000 | \$ 150,000 | \$ 150,000 |

The balance of the above debt matures as follows:

| Years Ending | Amount     |
|--------------|------------|
| 2025         | \$ -       |
| 2026         | -          |
| 2027         | 1,591      |
| 2028         | 3,262      |
| 2029         | 3,387      |
| Thereafter   | 141,760    |
| Total        | \$ 150,000 |

# Notes to Financial Statements

December 31, 2024, 2023, and 2022

## Note 7 - Leases

As of December 31, 2024, the Company is obligated under an operating lease for office space, expiring in November 2029. The right-of-use asset and related lease liability as of December 31, 2024 have been calculated using a discount rate of 3.65 percent. The lease requires the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under the lease was \$139,629, \$144,511, and \$148,371 for 2024, 2023, and 2022, respectively. The weighted-average discount rate for the lease was 3.65 percent as of December 31, 2024, and the weighted-average remaining lease term for the lease was 58 months as of December 31, 2024. Cash paid for operating leases totaled \$92,544, \$120,657, and \$117,674 in 2024, 2023, and 2022, respectively.

Future minimum annual commitments under this operating lease are as follows:

| Years Ending<br>December 31                       | Amount     |
|---------------------------------------------------|------------|
| 2025                                              | \$ 129,570 |
| 2026                                              | 131,967    |
| 2027                                              | 134,365    |
| 2028                                              | 136,762    |
| 2029                                              | 127,380    |
| Total                                             | 660,044    |
| Less amount<br>representing<br>interest           | 57,438     |
| Present value of<br>net minimum<br>lease payments | 602,606    |
| Less current<br>obligations                       | 109,389    |
| Long-term<br>obligations under<br>leases          | \$ 493,217 |

## Note 8 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

### **Transactions with the Ultimate Parent**

The Company and the Ultimate Parent frequently advance funds and pay expenses on behalf of one another for payment of general and administrative expenses. As of December 31, 2024, 2023, and 2022, the Company had amounts due to SP EH of \$647,978, \$1,618,726, and \$1,937,527, respectively.

### **Transactions with the Parent**

The Company and the Parent frequently advance funds and pay expenses on behalf of one another for payment of general and administrative expenses. As of December 31, 2024, 2023, and 2022, the Company had an amount due from SP IP of \$3,020,356, \$2,966,588, and \$2,815,800, respectively.

These amounts have been offset on the balance sheet, as the Parent has approved a right of offset.



**Exhibit D  
to SP Franchising LLC  
Franchise Disclosure Document**

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**Exhibit E  
to SP Franchising LLC  
Franchise Disclosure Document**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**



## CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(Exhibit only, to be completed by Franchisee's employees, not signed here.)

THIS AGREEMENT MADE on \_\_\_\_\_, by and between  
\_\_\_\_\_ dba SpeedPro ("**Company**") and \_\_\_\_\_  
("**Employee**"); and:

WHEREAS, Employee desires to be employed by Company in a capacity in which he may receive, contribute, or develop Confidential and Proprietary Information;

WHEREAS, access, contribution and/or development of such information is necessary in order for Employee to perform his duties in a professional manner;

WHEREAS, such information is important to the future of the Company and the Company expects the Employee to keep secret such proprietary and confidential information and not to compete with the Company during his employment and for a reasonable period after employment.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Definitions. As used in this Agreement:

a. "**Company**" shall mean \_\_\_\_\_ dba SpeedPro, as Franchisee of SP Franchising LLC, its successors and assigns, and any of their present or future subsidiaries or organizations controlled by, controlling, or under common control with them.

b. "**Affiliate**" shall mean any person, corporation, partnership or other entity with which joint enterprises are carried on with the Company or in which the Company has any interest.

c. "**Confidential and Proprietary Information**" shall mean any and all information disclosed or made available to the Employee or known by the Employee as a direct or indirect consequence of or through his employment by the Company and not generally known in the industry in which the Company is or may become engaged, including, but not limited to, clients and brokers, marketing plans, product development, plans, publications, equipment, and financial information, and any information related to the Company's and its Affiliate's products, devices, structures, processes, procedures, methods, formulae, techniques, services, or finances including, but not limited to, information relating to research, development, Inventions, manufacture, purchasing, accounting, engineering, marketing, merchandising, or selling.

2. Non-Disclosure of Confidential Information. Except as required in the performance of his duties to the Company, during the term of his employment and for a period of five (5) years after termination of such employment, Employee shall treat as confidential and shall not, directly or indirectly, use, disseminate, disclose, publish, or otherwise make available to any person, firm, corporation, unincorporated association or other entity any Confidential and Proprietary Information or any portion thereof. Upon termination of his employment with the Company, all papers, documents, records, lists, notebooks, files, and similar items containing Confidential and Proprietary Information, including copies thereof, then in the Employee's possession, whether prepared by him or others, shall be promptly returned to the Company. If at any time after the termination of employment, the Employee determines that he has any Confidential and Proprietary Information in his possession or control, he shall immediately return to the Company all such Confidential and Proprietary Information, including all copies and portions thereof.

### 3.Non-Competition.

a.During the term of Employee's employment with the Company and for a period of one (1) year thereafter, Employee agrees that he will not, directly or indirectly, own, operate, manage, consult with, control, participate in the management or control of, be employed by, maintain or continue any interest whatsoever in any enterprise located within the 50-mile radius of any other SpeedPro location, which provides, premium, large format printing, reprographic services (reprographic services are reproductions of graphics through mechanical or electrical means, such as photography or xerography, commonly used in catalogs, archives, and the architectural, engineering, and construction industries), technology driven smart signage, interior and exterior digital displays related services without the prior written consent of the Owner or President of the Company.

b.During the term of Employee's employment with the Company and for a period of two (2) years thereafter, Employee agrees that he will not solicit or contact any of the customers, clients, or employees with whom Employee has had contact during the term of his employment with the Company.

4.Employee acknowledges that his adherence to the terms of the covenants set forth in Sections 1, 2 and 3 are necessary to protect the value of Company's business, that a breach of such covenants will result in irreparable and continuing damage to the Company, and that money damages would not adequately compensate Company for any such breach and, therefore, that Company would not have an adequate remedy at law. In the event any action or proceeding shall be instituted by Company to enforce any provision of Sections 1, 2 or 3, Employee hereby waives the claim or defenses in such action that (i) money damages are adequate to compensate the Company for such breach, and (ii) there is an adequate remedy at law available to Company and shall not urge in any such action or proceeding the claim or defense that such remedy at law exists. Company shall have, in addition to any and all remedies at law, the right, without posting of bond or other security, to an injunction, both temporary and permanent, specific performance and/or other equitable relief to prevent the violation of any obligation under Sections 2, 3 or 4. The parties agree that the remedies of Company for breach of Sections 2, 3 or 4 shall be cumulative and seeking or obtaining injunctive or other equitable relief shall not preclude the making of a claim for damages or other relief. The parties to this Agreement also agree that Company shall be entitled to such damages as Company can show it has sustained by reason of such breach. In any action brought to enforce the covenants set forth in Section 2, 3 or 4, or to recover damages for breach thereof, the Company shall be entitled to recover reasonable attorneys' fees and other expenses of litigation, together with such other and further relief as may be proper.

5.This Agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors, and assigns.

6.Nothing contained in this Agreement shall be construed or confer any obligation or right to employment or to continue in the employment of the Company.

7.This Agreement shall be governed by the laws of the State of Colorado, notwithstanding the fact that one (1) or more of the parties to this Agreement is now or may become a resident or citizen of a different state. It is the intent of the parties that the Agreement be enforced to the fullest extent permissible under applicable laws and public policies. The invalidity, illegality, or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid, illegal, or unenforceable provision had been

omitted. If any part of this agreement is for any reason held to be excessively broad as to time, duration, geographical scope, activity, or subject, it will be construed, by limiting or reducing it, so as to be enforceable to the extent reasonably necessary for the protection of the Company.

8. Captions to and headings of the sections of this Agreement are solely for the convenience of the parties and not a part of this Agreement and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

9. This Agreement shall not be amended or modified, and none of the provisions hereof shall be waived, except in writing signed on behalf of the parties hereto or, in the case of a waiver, on behalf of the party making the waiver.

10. This Agreement may be executed in any number of copies, each of which shall be deemed an original and no other copy need be produced. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

**COMPANY**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EMPLOYEE:**

Signature: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_



**Exhibit F  
to SP Franchising LLC  
Franchise Disclosure Document**

**GENERAL RELEASE OF CLAIMS**

## **GENERAL RELEASE OF CLAIMS**

1. **Release – General Provisions.** Franchisee and each of its Principals, and all Affiliates of either of them, on their own behalf and on behalf of their respective successors, assigns, and anyone claiming through or under them (collectively referred to as the “**Releasing Parties**”), hereby waive, release, acquit, and forever discharge each and all of the Franchisor-Related Persons of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, liabilities, claims, demands, damages, losses or expenses, of any nature whatsoever, known or unknown, fixed or contingent, which they have, or may hereafter have, against the Franchisor-Related Persons, individually or collectively, including all matters, causes or things whatsoever, that were or have been, or could have in any way been alleged in any pleadings filed in any suit or arbitration (the “**Claims**”).

[If any party lives in California, or if the Studio is located in California add this language: “THE RELEASING PARTIES EACH ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

THE RELEASING PARTIES EACH BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA.”]

2. Without limiting the generality of subparagraph 1 above, the Releasing Parties intend this release, as it pertains to Claims by them or to anyone claiming through or under them, to cover, encompass, relinquish, and extinguish all Claims against the Franchisor-Related Persons, including, but not limited to, all Claims arising from any misrepresentation in or omission from any disclosure document received by Franchisee or any of its Affiliates or Principals, or from a violation of the Sherman Antitrust Act, the Federal Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled *Disclosure Requirements and Prohibitions Concerning Franchising* (16 C.F.R. 436), any amendment or successor to any of the foregoing statutes or regulations, or any other federal or state (including, without limitation, the state in which the principal office of the SpeedPro Studio is located and the state in which Franchisee was organized) securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law or regulation. 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.
3. The Releasing Parties expressly acknowledge and agree that the Claims each of them is releasing include any and all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated. The Releasing Parties specifically waive the protection afforded by any statute or law in any jurisdiction, the purpose, substance, or effect of which is to provide that a general release does not extend to claims, material or otherwise, which do not exist or which the person giving the release does not know or suspect to exist at the time of executing the release. The Releasing Parties intend for this release to be as broad as is permitted by law and unqualifiedly general in scope and

effect, and that any Claims against any of the Franchisor-Related Persons are hereby forever canceled and forgiven.

4. Risk of Mistake. The Releasing Parties expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by them, and it is their intention to forever settle, adjust and compromise any and all present and future disputes with respect to all matters from the beginning of time to the date of this document, finally and forever, and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Releasing Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action that exist, or might have existed, on the date of this release. The Releasing Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this release as the Releasing Parties, in their independent judgment, believe necessary or appropriate. The Releasing Parties have not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by the Franchisor-Related Persons or anyone else, not expressly set forth herein, in executing this document and the related releases.
5. No Assignment or Transfer of Interest. The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Releasing Parties may have against any or all of the Franchisor-Related Persons, all Claims having been fully and finally extinguished, and the Releasing Parties shall forever indemnify and hold the Franchisor-Related Persons harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Persons as a result of any Person asserting any interest in any of the Claims or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer, or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons as a condition precedent to recovery against the Releasing Parties under this indemnity.
6. Attorneys' Fees. If the Releasing Parties, or any Person acting for or on behalf of, the Releasing Parties or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit or other legal or equitable proceeding arising out of, based upon or relating to any of the Claims released hereunder, or in any manner asserts against all or any of the Franchisor-Related Persons any of the Claims released hereunder, the Releasing Parties shall pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Persons in defending or otherwise responding to said suit or assertion, directly to the Franchisor-Related Persons incurring such costs.
7. Date of Releases; Joint and Several Liability. The releases granted hereunder will be deemed effective as to each of the Releasing Parties as of the date this document is signed by each of the Releasing Parties. The liabilities and obligations of each of the Releasing Parties (and any other Person providing releases to the Franchisor-Related Persons) will be joint and several.
8. In this document, the term "**Franchisor-Related Persons**" means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with Franchisor, or as affiliates of Franchisor or of any of the foregoing; partners, members, shareholders, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing. The word "**person**" includes individuals, corporations, limited liability companies,

partnerships of any kind, unincorporated associations, joint ventures, governments, governmental bodies or agencies, commissions, estates, trusts, charitable organizations, and all other entities and organizations of any kind.

9. Defined Terms. Capitalized words that are not defined in this document are used as defined in the franchise agreement between Franchisee and Franchisor.

**FRANCHISOR**

SP FRANCHISING LLC

By:\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title:\_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By:\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title if an entity:\_\_\_\_\_



**Exhibit G**  
**to SP Franchising LLC**  
**Franchise Disclosure Document**  
**FRANCHISEE LIST**



### Franchisees as of December 31, 2024

| Franchisee Name                  | Address                                  | City            | State | Zip   | Phone Number   | Email                                                                                                                                      |
|----------------------------------|------------------------------------------|-----------------|-------|-------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ALABAMA</b>                   |                                          |                 |       |       |                |                                                                                                                                            |
| Rob & Michelle Dowda             | 100 Oxmore Road, Suite 106               | Birmingham      | AL    | 35209 | (205) 390-2189 | <a href="mailto:rdowda@speedpro.com">rdowda@speedpro.com</a><br><a href="mailto:mdowda@speedpro.com">mdowda@speedpro.com</a>               |
| <b>ARIZONA</b>                   |                                          |                 |       |       |                |                                                                                                                                            |
| Eric Reber                       | 1025 N McQueen Rd #155                   | Gilbert         | AZ    | 85233 | (480) 892-2411 | <a href="mailto:ereber@speedpro.com">ereber@speedpro.com</a>                                                                               |
| Joe & Rebecca Coltman            | 120 N 44 <sup>th</sup> St Suite 150      | Phoenix         | AZ    | 85034 | (602) 445-7420 | <a href="mailto:jcoltman@speedpro.com">jcoltman@speedpro.com</a><br><a href="mailto:rcoltman@speedpro.com">rcoltman@speedpro.com</a>       |
| Perry & Savanna Stephens         | 2320 W Peoria Ave Suite C111, Phoenix    | Phoenix         | AZ    | 85029 | (480) 498-3401 | <a href="mailto:pstephens@speedpro.com">pstephens@speedpro.com</a><br><a href="mailto:sstephens@speedpro.com">sstephens@speedpro.com</a>   |
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| Joe Zierer                               | 404 Commerce Park Drive                     | Cranberry Township | PA    | 16066 | (724) 591-5486 | <a href="mailto:j.zierer@speedpro.com">j.zierer@speedpro.com</a>                                                                 |
| Joe & Cindy McInnis                      | 664 Catherine Street                        | Warminster         | PA    | 18974 | (215) 293-9723 | <a href="mailto:jmcinnis@speedpro.com">jmcinnis@speedpro.com</a>                                                                 |
| Chris & David Shaw &<br>Annette Erario   | 427 S. Bolmar Street                        | West Chester       | PA    | 19382 | (610) 696-3568 | cshaw@speedpro.com<br>dshaw@speedpro.com<br>aerario@speedpro.com                                                                 |
| Peter Rittenhouse                        | 7355 Williams Ave Suite 200                 | Allentown          | PA    | 18106 | (484) 809-0777 | prittenhouse@speedpro.com                                                                                                        |
| <b>SOUTH CAROLINA</b>                    |                                             |                    |       |       |                |                                                                                                                                  |
| Gregg Richey                             | 1327 Miller Rd Suite I                      | Greenville         | SC    | 29607 | (864) 288-3005 | <a href="mailto:gregg.richey@speedpro.com">gregg.richey@speedpro.com</a>                                                         |
| Nick Nydegger                            | 7644 South Railroad, Suite 100              | Charleston         | SC    | 29420 | (843) 405-5752 | <a href="mailto:nnydegger@speedpro.com">nnydegger@speedpro.com</a>                                                               |
| <b>TENNESSEE</b>                         |                                             |                    |       |       |                |                                                                                                                                  |
| Ethan Gouge                              | 100 Deck Lane                               | Blountville        | TN    | 37617 | (423) 446-2642 | egouge@speedpro.com                                                                                                              |
| Bevan & Linda Flavin                     | 1722 General George Patton Dr<br>Suite 300B | Brentwood          | TN    | 37027 | (615) 712-7275 | bflavin@speedpro.com<br>lflavin@speedpro.com                                                                                     |
| Gary & Nancy Yenser                      | 3175 Players Club Parkway                   | Memphis            | TN    | 38125 | (901) 483-1626 | <a href="mailto:gyenser@speedpro.com">gyenser@speedpro.com</a><br><a href="mailto:nyenser@speedpro.com">nyenser@speedpro.com</a> |
| Aaron Johnson                            | 3940 Dickerson Pike,<br>Suite 103           | Nashville          | TN    | 37207 | (615) 915-2766 | ajohnson@speedpro.com                                                                                                            |
| Chad Mize<br>Elizabeth Mize<br>Kyle Mize | 5959 Shallowford Rd, Suite<br>509           | Chattanooga        | TN    | 37421 | (423) 889-0113 | <a href="mailto:cmize@speedpro.com">cmize@speedpro.com</a>                                                                       |
| <b>TEXAS</b>                             |                                             |                    |       |       |                |                                                                                                                                  |
| Randy Imhoff                             | 6201 East Oltorf Ste 100                    | Austin             | TX    | 78744 | (512) 444-4421 | <a href="mailto:randyi@speedpro.com">randyi@speedpro.com</a>                                                                     |
| Matthew Polster                          | 14401 W. Beltwood Pkwy, Ste.<br>155         | Dallas             | TX    | 75244 | (972) 960-7200 | <a href="mailto:mpolster@speedpro.com">mpolster@speedpro.com</a>                                                                 |
| Tammy & AG Tyree                         | 8230 Elmbrook Dr. #700                      | Dallas             | TX    | 75247 | (214) 357-3400 | <a href="mailto:ttyree@speedpro.com">ttyree@speedpro.com</a>                                                                     |

| Franchisee Name                   | Address                                 | City           | State | Zip   | Phone Number   | Email                                        |
|-----------------------------------|-----------------------------------------|----------------|-------|-------|----------------|----------------------------------------------|
|                                   |                                         |                |       |       |                | agtyree@speedpro.com                         |
| Tammy & AG Tyree                  | 2225 E Loop 820 N                       | Fort Worth     | TX    | 76118 | (817) 284-3366 | ttyree@speedpro.com<br>agtyree@speedpro.com  |
| Mark Duncan                       | 15800 West Hardy Rd #560                | Houston        | TX    | 77060 | (281) 260-8100 | mduncan@speedpro.com                         |
| David & Cherie Ostermann          | 350 E Royal Ln #101                     | Irving         | TX    | 75039 | (972) 550-5200 | dostermann@speedpro.com                      |
| Tom & Melissa Izzo                | 1200 Commerce Drive, Suite 107          | Plano          | TX    | 75024 | (972) 403-9955 | tizzo@speedpro.com<br>mizzo@speedpro.com     |
| Dan & Michele Bertoncini          | 903 N. Bowser Road, Ste 100             | Richardson     | TX    | 75081 | (972) 238-3586 | dbertoncini@speedpro.com                     |
| Michael Schardt                   | 25003 Pitkin Road Suite G600            | Spring         | TX    | 77386 | (281) 719-5646 | mschardt@speedpro.com                        |
| Kirby Ducayet                     | 12621 West Airport Boulevard Suites 600 | Sugar Land     | TX    | 77478 | (832) 260-3427 | kirbyd@speedpro.com                          |
| Brian De Noble<br>Kathy De Noble  | 32503 Tamina Road #1                    | Magnolia       | TX    | 77354 | (281) 789-4474 | briand@speedpro.com<br>kathyd@speedpro.com   |
| <b>VIRGINIA</b>                   |                                         |                |       |       |                |                                              |
| Bill & Brad Jones                 | 2551 Eltham Ave Suite D                 | Norfolk        | VA    | 23513 | (757) 390-2644 | wjones@speedpro.com<br>bjones@speedpro.com   |
| Adarsh Singh                      | 2530 Gayton Centre Dr                   | Richmond       | VA    | 23238 | (804) 726-3336 | asingh@speedpro.com                          |
| Roman Blazauskas & Shawn Flaherty | 22135 Davis Dr Suite 117                | Sterling       | VA    | 20164 | (571) 313-8334 | rblazauskas@speedpro.com                     |
| John Reeves                       | 5305 Cleveland Street #101              | Virginia Beach | VA    | 23462 | (757) 233-2241 | jreeves@speedpro.com                         |
| <b>WASHINGTON</b>                 |                                         |                |       |       |                |                                              |
| Cecile & Brad Miller              | 11630 Slater Ave NE Unit 5              | Kirkland       | WA    | 98034 | (425) 260-3997 | cmiller@speedpro.com<br>bmiller@speedpro.com |
| Paul Perovich                     | 10807 East Montgomery Drive #3          | Spokane        | WA    | 99206 | (509) 413-1730 | pperovich@speedpro.com                       |
| <b>WISCONSIN</b>                  |                                         |                |       |       |                |                                              |
| Bryan Reichling                   | 5376 Farmco Drive                       | Madison        | WI    | 53704 | (608) 850-6668 | breichling@speedpro.com                      |



**Franchisees Who Signed a Franchise Agreement But Have  
Not Yet Opened as of December 31, 2024**

Chad Mize  
Elizabeth Mize  
Kyle Mize  
Knoxville, Tennessee  
(217) 972-7319

Emily Michaels  
Leesburg, Virginia  
(410) 703-9951

Chris and Sharisa Hoke  
Fort Worth, Texas  
(817) 980-7485

Janet and Seth Bassingthwaite  
Southlake, Texas  
(817) 939-8087

Tony Frank  
Painesville, Ohio  
(330) 329-9898



### **Franchisees Who Left the System in the Year 2024**

The below table includes franchisees who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement within the last fiscal year, or who has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

| City        | State | Phone Number / Email Address                                                                                                                             | Owner(s)                                          |
|-------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Los Angeles | CA    | (818) 879-3860<br><a href="mailto:Zach@consultingheropro.com">Zach@consultingheropro.com</a>                                                             | Zach Miller<br>(Termination)                      |
| Long Beach* | CA    | (310) 469-1012<br><a href="mailto:hugh.wolf9@gmail.com">hugh.wolf9@gmail.com</a>                                                                         | Hugh Wolf<br>(Transfer)                           |
| Cleveland   | OH    | (330) 840-8909<br><a href="mailto:Levine5@windstream.net">Levine5@windstream.net</a>                                                                     | Ron Levine<br>(Termination)                       |
| Denver      | CO    | (720) 320-1739<br><a href="mailto:Ellison.gregoryt@gmail.com">Ellison.gregoryt@gmail.com</a>                                                             | Greg Ellison<br>(Termination)                     |
| Tustin      | CA    | (949) 793-0080<br><a href="mailto:fscpsales@gmail.com">fscpsales@gmail.com</a> ;<br><a href="mailto:loyjoysamp@gmail.com">loyjoysamp@gmail.com</a>       | Loy Sampaio & Sidney<br>Girolamo<br>(Termination) |
| Denver*     | CO    | (303) 550-0872<br><a href="mailto:bill.landow@gmail.com">bill.landow@gmail.com</a>                                                                       | Bill Landow<br>(transfer)                         |
| Charleston* | SC    | (313) 617-8499<br><a href="mailto:randalsingelyn@gmail.com">randalsingelyn@gmail.com</a>                                                                 | Randy Singelyn<br>(Transfer)                      |
| San Diego*  | CA    | (612) 600-8444<br><a href="mailto:oksananv@gmail.com">oksananv@gmail.com</a><br><a href="mailto:Sean@TheIrishBohemian.com">Sean@TheIrishBohemian.com</a> | Oksana O'Neill<br>(Transfer)                      |
| Pittsburgh* | PA    | (724) 553-8071<br><a href="mailto:Rich.arrington@outlook.com">Rich.arrington@outlook.com</a>                                                             | Rich Arrington<br>(Transfer)                      |
| Raleigh*    | NC    | (919) 570-1157<br><a href="mailto:GeraldParise1@gmail.com">GeraldParise1@gmail.com</a>                                                                   | Kim and Jerry Parise<br>(Transfer)                |
| St. Louis*  | MO    | (314) 614-6900<br><a href="mailto:randallhiggins@charter.net">randallhiggins@charter.net</a>                                                             | Randall Higgins<br>(Transfer)                     |
| Cincinnati* | OH    | (513) 965-9011<br><a href="mailto:messig@fioptics.com">messig@fioptics.com</a>                                                                           | Mike Essig<br>(Transfer)                          |
| Los Angeles | CA    | (818) 209-4393<br><a href="mailto:tom@prophecyconsultingservice.com">tom@prophecyconsultingservice.com</a>                                               | Tom James<br>(Termination)                        |

\*Transfer



**Exhibit H  
to SP Franchising LLC  
Franchise Disclosure Document**

**STATE ADDENDA**

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

California Corporations Code, Section 31125 requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Neither SP Franchising LLC nor any person identified in ITEM 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or nation securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043). The Franchise Agreement requires Franchisee to execute a General Release of Claims upon renewal or transfer of the Franchise Agreement.

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

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

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

The franchise agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur in Colorado, or the then-current location of Franchisor's headquarters, with the costs being borne by Franchisee. This provision may not be enforceable under California law.

The franchise agreement requires application of the laws of Colorado. This provision may not be enforceable under California law.

If you collect any information from customers, it may contain personal information of individuals which is protected by law. You are responsible for complying with the California Consumer Privacy Act (as applicable), pertaining to the collection, protection, use, sale, disposal and maintenance of such personal information. Personal information includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by the California Consumer Privacy Act. You may also be required to comply with opt-in requirements on your website.

## **CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT**

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the California Franchise Investment Law:

1. Section 2.A. of the Franchise Agreement is revised to delete the following sentence:

“You acknowledge and agree that our approval of an Authorized Location does not constitute a warranty of any kind, express or implied, as to the suitability of the site for your SpeedPro Studio and your acceptance of a franchise for the operation of a SpeedPro Studio at the Authorized Location is based solely on your own independent investigation.”

The Franchise Agreement to which this addendum is attached is amended as follows

**No statement, questionnaire, or acknowledgment signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable California 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.**

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

### **FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

### **FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE HAWAII FRANCHISE INVESTMENT LAW**

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No release language set forth in the Franchise Agreement shall relieve SP Franchising LLC or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Hawaii Franchise Investment Law:

**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.**

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE  
ILLINOIS FRANCHISE DISCLOSURE ACT**

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Illinois law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

### **ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Illinois Franchise Registration and Disclosure Law:

- 1) Illinois law governs the Franchise Agreement.
- 2) In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- 3) Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- 4) In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- 5) No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

#### **FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### **FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_



**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE INDIANA FRANCHISE DISCLOSURE LAW  
AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Colorado law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document and the Franchise Agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within ten (10) days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

4. No release language set forth in the Disclosure Document or Franchise Agreement, including but not limited to ITEM 17 shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. The Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.
7. 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.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

ITEM 8 is supplemented by the following disclosure:

We are the sole supplier of the following products and services necessary for the operation of your SpeedPro Studio: (a) the Start-Up Package, (b) the Software System, and (c) the grand opening advertising and marketing services. You will pay the then-current price in effect at the time for all products and services you purchase from us and our affiliates. In some cases, the cost of the products and services referenced above (such as the cost of the Start-Up Package) may be higher than the prevailing market price of similar products and services if purchased from various other suppliers on the market. In other cases, such as the cost of the Software System and the grand opening advertising and marketing services, we believe that the amounts you pay to us for these products and services is equal to or less than the prevailing market price you would pay if you purchased such products or services directly from other vendors.

If we are no longer able to provide you with the above-listed products and services, we will endeavor to provide such products and services through one or more alternate suppliers at comparable cost.

ITEM 17

The general release required as a condition of renewal, assignment, or transfer does not apply to any claims that arise under the Maryland Franchise Registration and Disclosure Law.

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

**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.**

## **MARYLAND ADDENDUM TO FRANCHISE AGREEMENT**

The Franchise Agreement, to which this addendum is attached is amended as follows to comply with the Maryland Franchise Registration and Disclosure Law:

1. A general release required as a condition of renewal, assignment, or transfer in provision 4.B and 11.D.6 does not apply to any claim or liability arising under the Maryland Franchise Regulation and Disclosure Law.
2. The following language is hereby added to Section 12 of the franchise agreement:

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

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

3. The following language is hereby added to Section 15 of the franchise agreement:

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

4. The last sentence of Section 15.B of the franchise agreement is hereby deleted and replaced with the following:

"Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document."

**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.**

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

### **FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

### **FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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 which deprives the franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a license agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 license of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the license or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits 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 subfranchisor.
  - (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 license 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 a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the license agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provisions have been made for providing the required contractual service.
- (j) **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.**

THE FACT THAT THERE IS A NOTICE OF THIS DOCUMENT 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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 525 W. OTTAWA STREET, 670 G. MENNAN WILLIAMS BLDG., LANSING, MICHIGAN 48933 (517) 272-7117.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND LICENSE AGREEMENT  
PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language is added to ITEM 13 of the Disclosure Document and the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. ITEM 17 of the Disclosure Document and the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given ninety (90) day notice of termination (with sixty (60) days to cure) and one hundred eighty (180) day notice for non-renewal of the Franchise Agreement.”

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Liquidated damages and termination penalties are prohibited by law in the State of Minnesota and, therefore, the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination, of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within ten (10) days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Operating Term of the Franchise Agreement. This does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

5. ITEM 17 of the Disclosure Document is amended to add the following and the following language will appear in the Franchise Agreement issued in the State of Minnesota:  
  
“Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C.”
6. ITEM 17 of the Disclosure Document and the Franchise Agreement are amended as follows:  
  
“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”
7. **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.**



**NEW YORK ADDENDUM  
TO DISCLOSURE DOCUMENT**

**NEW YORK**

1. 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 A 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 THIS 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 to be 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 or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions

affecting a license as a real estate broker or sales agent.

3. 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 language 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 end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, 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

**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.**

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE NORTH DAKOTA FRANCHISE LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Liquidated damages and termination penalties are prohibited by law in the State of North Dakota and, therefore, such provisions are hereby deleted from the Franchise Agreement, and the Franchise Agreement is further amended by the addition of the following language:  
  
“14.D. Remedies Upon Termination. If the Franchise is so terminated, and in addition to the obligations of the Franchisee as otherwise provided herein, Franchisor shall retain the full amount of any fees heretofore paid to Franchisor and Franchisee shall continue to remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.”
2. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Colorado law if such provisions are in conflict with North Dakota law.
3. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.
4. **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.**

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE RHODE ISLAND FRANCHISE DISCLOSURE ACT**

The following language applies to any franchise agreement issued in the State of Rhode Island:

“Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, dictates that ‘a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.’”

**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.**

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
PURSUANT TO SOUTH DAKOTA CODIFIED LAWS**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of South Dakota:

1. The Franchise Agreement is amended by the deletion of the requirement to pay liquidated damages and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided herein, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions set forth herein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Operating Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within ten (10) days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Operating Term of the Franchise Agreement.”

2. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Franchise Agreement will be and remains subject to the construction, enforcement and interpretation of the laws of the State of Colorado. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota, is deleted from any Franchise Agreement issued in the State of South Dakota.
3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.
4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Franchise Agreement shall afford the Franchisee thirty (30) days written notice with an opportunity to cure said default prior to termination.
5. REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, or the Disclosure Document, the terms of this Addendum shall govern.

**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.**

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
PURSUANT TO THE VIRGINIA RETAIL FRANCHISING ACT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SP Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. "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."

## **VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the Franchise Agreement will be amended as follows:

1. "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."

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

### **FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

### **FRANCHISEE:**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_



**ADDENDUM TO THE DISCLOSURE DOCUMENT  
PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT LAW**

The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

A release or waiver of rights as part of the form of General Release attached as Exhibit F to the Franchise Disclosure Document will not include a release or waiver of rights under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Based on our financial condition, the Washington Securities Division has required a financial assurance. In lieu of an impound of franchise fees, we have secured a surety bond in the amount of \$100,000. We will maintain surety bond coverage until (a) all Washington franchisees have (i)

received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

**Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with franchisor.

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.

## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Based on our financial condition, the Washington Securities Division has required a financial assurance. In lieu of an impound of franchise fees, we have secured a surety bond in the amount of \$100,000. We will maintain surety bond coverage until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

**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.**

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

**FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_

## **ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE WISCONSIN FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

2. The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
- b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) day notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.
- c. **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.**



**Exhibit I  
to SP Franchising LLC  
Franchise Disclosure Document**

**Deposit Agreement**

## DEPOSIT AGREEMENT

This Deposit Agreement ("Agreement") is made as of \_\_\_\_\_ ("Effective Date") by and between SP FRANCHISING LLC, a Delaware limited liability company with its principal business located at 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112 ("Franchisor"), and \_\_\_\_\_ ("you", "your", "I" or "my") whose principal business address is \_\_\_\_\_.

### RECITALS

I understand that my application for the grant of a franchise to operate a SpeedPro Studio in the general area of \_\_\_\_\_, which was submitted on \_\_\_\_\_, has been approved.

I acknowledge that I am using funds for the Initial Franchise Fee from my 401K, IRA or other qualified retirement account roll-over ("Retirement Funds"). The Retirement Funds will be available on or before \_\_\_\_\_.

To continue the process of obtaining a license to operate a SpeedPro Studio, I am paying a Deposit toward the Initial Franchise Fee in accordance with this Agreement.

In consideration of the foregoing and the covenants and consideration below, Franchisor and I agree as follows:

### AGREEMENT

- Deposit.** Upon execution of this Agreement, I will pay Franchisor a deposit in the amount of \$25,000 ("Deposit"). The full Deposit will be applied to the Initial Franchise Fee at the time I execute a Franchise Agreement for a SpeedPro Studio. Upon execution of the Franchise Agreement, my Deposit will be immediately non-refundable. The Deposit will be deemed earned by Franchisor for processing of my Franchise Agreement and for services performed following the effective date of my Franchise Agreement. Franchisor's obligation with respect to my Deposit are those of a debtor and not a trustee. Franchisor may maintain my Deposit in a separate account or commingle my Deposit with general funds. Franchisor will not be required to pay me interest on my Deposit.
- Time for Signing Franchise Agreement.** I acknowledge that I am required to sign the Franchise Agreement and pay the balance of the Initial Franchise Fee in the amount of \$\_\_\_\_\_ on the earlier of (a) receipt of my Retirement Funds; or (b) 30 days from the Effective Date of this Agreement ("Due Date"). If I am unable to obtain the balance of my Retirement Funds on or before the Due Date, I will notify Franchisor. Franchisor may, but is not required, to extend the Due Date at my written request if my receipt of the Retirement Funds is delayed by more than 30 days from the Effective Date of this Agreement.
- Refund of Deposit.** If I decide not to obtain a license to operate a SpeedPro Studio prior to signing the Franchise Agreement, I will notify Franchisor in writing. If I have not signed a Franchise Agreement at the time I notify Franchisor, in writing, Franchisor will refund my Deposit within 30 days of receipt by Franchisor of my written notice.

4. **Receipt of Franchise Agreement FDD.** I acknowledge that I have received Franchisor's Franchise Disclose Document more than 14 days prior to the execution of this Deposit Agreement.

5. **Miscellaneous.**

a. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado.

b. **Counterpart/Electronic Signature.** 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 and the same instrument. This Agreement shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party. Electronic signatures and electronic transmissions shall have the same full force and effect as originally executed documents.

c. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

d. **Amendments.** This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

e. **Entire Agreement.** This Agreement and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof.

**FRANCHISOR**

SP FRANCHISING LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**YOU:**

\_\_\_\_\_

By: \_\_\_\_\_ \*

Printed Name: \_\_\_\_\_

Title if an entity: \_\_\_\_\_

Date Signed: \_\_\_\_\_





**Exhibit J  
to SP Franchising LLC  
Franchise Disclosure Document**

**Consent to Transfer, Agreement and Release**

## CONSENT TO TRANSFER, AGREEMENT, AND RELEASE

**SELLER:** \_\_\_\_\_

**SELLER'S OWNER[S]:** \_\_\_\_\_

**PURCHASER:** \_\_\_\_\_

**PURCHASER'S OWNER[S]:** \_\_\_\_\_

**LOCATION ADDRESS:** \_\_\_\_\_

**TERRITORY ZIP CODES:** \_\_\_\_\_

**THIS AGREEMENT** ("Agreement") is made by and among **SELLER, SELLER'S OWNER[S]** (collectively Seller and Seller's Owner[s] will be referred to herein as "Seller"), **PURCHASER, PURCHASER'S OWNER[S]** (collectively Purchaser and Purchaser's Owner[s] will be referred to herein as "Purchaser") and **SP Franchising LLC** (referred to as "SpeedPro") (collectively, Seller, Purchaser and SpeedPro will be referred to herein as the "Parties") as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

WHEREAS, Seller owns and operates a franchised SpeedPro Studio (the "Franchised Studio") pursuant to a franchise agreement between Seller and SpeedPro dated \_\_\_\_\_, 20\_\_\_\_ (referred to as "Seller's Franchise Agreement"); and

WHEREAS, Seller desires to sell to Purchaser all of Seller's interest in the Franchised Studio consistent with, and pursuant to the terms of, Seller's Franchise Agreement (hereinafter the "Transfer"); and

WHEREAS, Seller and Purchaser have agreed to terms pursuant to which Seller has agreed to sell its interest in the Franchised Studio, and all of the Franchised Studio's assets to Purchaser, and Purchaser has agreed to purchase from Seller Seller's interest in, and all of the assets of, the Franchised Studio (the "Sales Agreement"); and

WHEREAS, as a term of the Sales Agreement, Purchaser has agreed to: grant to Seller a promissory note requiring Purchaser to pay the purchase price for the Franchised Studio through installment payments made to Seller over a period of [\_\_\_\_ months/years] (the "Promissory Note"); and grant to Seller a security interest in the Franchised Studio as set out in a security agreement (the "Security Agreement") to secure its obligations under the Promissory Note; and

WHEREAS, the Parties acknowledge and agree that for Seller to hold a security interest in the Franchised Studio, the granting of the security interest to Seller must be approved by SpeedPro; and

WHEREAS, Purchaser has executed, or will at or before the closing of the Transfer (the "Closing"), execute a new franchise agreement, consistent with SpeedPro's current template form of Franchise Agreement, including, the exhibits attached thereto and any other documents memorializing the conditions placed on the Transfer by SpeedPro, (collectively "Purchaser's Franchise Agreement") which

shall grant Purchaser a license to own and operate the Franchised Studio, and execute any documents agreed to by Seller and Purchaser memorializing the terms of the Transfer; and

WHEREAS, Seller and Purchaser desire SpeedPro's consent to the Transfer [and Purchaser granting Seller a security interest in the Franchised Studio];

NOW THEREFORE, in consideration of the above representations, agreements and understandings, and other consideration stated herein below, the Parties agree as follows:

1. SpeedPro consents to the Transfer and accepts Purchaser as a franchisee for the Term provided in Purchaser's Franchise Agreement subject to Purchaser's compliance with all terms and conditions contained in Purchaser's Franchise Agreement. Purchaser's Franchise Agreement shall become effective upon the latest of: the Closing; and all parties to Purchaser's Franchise Agreement executing Purchaser's Franchise Agreement.

2. Seller represents that at, before and after the Closing, it will: 1) take all actions and execute all documents, necessary to fully transfer to Purchaser all of the Franchised Studio's assets; 2) pay all monies it or the Franchised Studio, owe SpeedPro, including, but not limited to, royalties for all Gross Sales that occur prior to and on the date of the Closing; 3) transfer to Purchaser, if possible under the laws and procedures of the state(s) in which such registrations have been filed, any assumed name rights or equivalent registrations associated with the Studio, or, if transfer is not possible under the laws and/or procedures of the state(s) in which such registrations have been filed, cancel such rights and registrations effective as of the Closing, and 4) comply with all obligations established by SpeedPro as a condition of its Consent to the Transfer, and all applicable Conditions of Transfer set out in Section [11] of Seller's Franchise Agreement. SpeedPro and Seller agree that those Conditions of Transfer set out in Section [11] that obligate Seller to remove or obliterate the Franchised Studio's signage that is being transferred to Purchaser or to alter the appearance of the Franchised Studio are not applicable to Seller.

3. Seller agrees that at or before the Closing Seller will deliver to Purchaser all assets and information that Seller must surrender copies of, and access to, pursuant to its post-termination obligations and restrictive covenants under the Franchise Agreement, including, but not limited to, all customer records of the Franchised Studio, and represents that Seller will not retain any copies of, or access to, such materials or disclose any such information to anyone not expressly authorized to possess it or have knowledge of it.

4. Purchaser agrees to upgrade the Studio to meet SpeedPro's current standards within 90 days of Closing.

5. SpeedPro and Seller acknowledge and agree that Seller's Franchise Agreement shall terminate upon the Closing and that only those terms and obligations specified in Seller's Franchise Agreement as continuing after termination shall survive that termination, including, but not limited to, the Post-Term Obligations set out in Section [14] of Seller's Franchise Agreement each of which, Seller represents through its signature to this Agreement, it has read and reviewed.

6. SpeedPro hereby waives the Right of First Refusal granted to it under Section [11.F.] of the Franchise Agreement.

[7]. SpeedPro consents to Seller holding a Security Interest in the Franchised Studio, subject to the following conditions and obligations:

(a) If Purchaser defaults on any payment due Seller under the Promissory Note and Security Agreement such that Seller sends a written notice of default, acceleration of the Promissory Note or foreclosure on the Security Agreement to Purchaser, Seller agrees to send such written notice to both Purchaser and SpeedPro. Seller agrees that if SpeedPro contacts Seller to inquire about whether Purchaser is in default of its obligations under the Promissory Note or Security Agreement, Seller is required to accurately respond to that inquiry. Purchaser hereby consents to Seller providing SpeedPro with information regarding whether or not Purchaser is in default of its obligations under the Promissory Note or Security Agreement. If Seller proceeds with exercising its rights to take possession of the Franchised Studio pursuant to the Security Agreement, Seller agrees that it will 1) advise SpeedPro in writing of its intention to do so; and 2) if Purchaser is in default of the Franchise Agreement at the time Seller takes possession, cure the default condition before taking possession of the Franchised Studio. Notwithstanding the terms of the Security Agreement, Seller agrees that its right to take possession of the Franchised Studio is contingent on its satisfying any such default condition.

(b) If Purchaser defaults under the terms of Purchaser's Franchise Agreement such that SpeedPro sends a written notice of default to Purchaser, SpeedPro agrees to send such written notice to both Purchaser and Seller. Purchaser agrees that if Seller contacts SpeedPro, SpeedPro may advise Seller whether Purchaser is in default of Purchaser's Franchise Agreement. If Purchaser does not timely or properly cure any such default or if the default is not a curable default under the terms of Purchaser's Franchise Agreement, and if, as a result, SpeedPro proceeds to terminate Purchaser's Franchise Agreement, SpeedPro agrees to give Seller written notice of SpeedPro's intent to terminate Purchaser's Franchise Agreement and, provided Seller promptly cures any and all declared default conditions, SpeedPro will allow Seller to take possession of the Franchised Studio from Purchaser, within a reasonable time, pursuant to the terms stated in subparagraph (c) below.

(c) If Seller takes possession of the Franchised Studio pursuant to either subparagraphs (a) or (b) above, SpeedPro will have the right to require Seller to sell the Franchised Studio to a new buyer, meeting SpeedPro's criteria, and approved by SpeedPro, within nine (9) months of Seller retaking possession. Seller may also be required by SpeedPro to attend additional or refresher training at a location specified by SpeedPro as a condition to Seller operating the Franchised Studio between taking possession of the Franchised Studio and selling it. In addition, Seller agrees to operate the Franchised Studio pursuant to the terms of Purchaser's Franchise Agreement.]

26. [8]. In consideration of and in reliance upon the representations and agreements above, Seller on behalf of itself, its owners, their spouses, heirs, and personal representatives, and its and their agents, parents, subsidiaries, owners, directors, officers, managers, employees and affiliates ("**Franchisee Parties**") release SpeedPro and its affiliates, parents, and subsidiaries, and their respective officers, directors, owners, managers, employees, and agents (collectively, "**Indemnified Parties**") from any and all obligations, claims or other liabilities arising in connection with Seller's Franchise Agreement, the Transfer and/or the relationship between SpeedPro and Seller. Franchisee Parties affirm, acknowledge and represent that SpeedPro has fully and faithfully performed all of its obligations, pursuant to the terms and conditions of Seller's Franchise Agreement. Franchisee Parties jointly and severally affirm that they do not have any defense, claim, offset, counterclaim or other claim or action against the Indemnified Parties, with respect to Seller's Franchise Agreement, any other franchise agreements between Seller and SpeedPro or otherwise, or arising out of negotiations prior to or contemporaneous with the execution of this Agreement, or any other agreements, and that even if such claim, action, defense, offset or

counterclaim exists or might exist on the date hereof (whether known or unknown), Franchisee Parties knowingly and jointly and severally waive, release, and relinquish all claims, actions, defenses, offset or counterclaims against the Indemnified Parties. Franchisee Parties acknowledge that SpeedPro has not exercised control over any of Seller's respective operations, and that Franchisee Parties are not acting under any duress or coercion in regard to the execution of this Agreement. Franchisee Parties represent and warrant to SpeedPro that they have obtained the advice of independent legal counsel with respect to their execution of this Agreement, and the matters set forth herein, or had the opportunity to do so and chosen not to do so. This Section 8, including, without limitation, the release herein, will be effective as of the date Seller executes this Agreement. If any claim or cause of action is asserted against any Indemnified Party in violation of the releases given in this Section, the Indemnified Party shall be entitled to recover from the person asserting such claim or cause of action, attorneys fees and expenses incurred by the Indemnified Party as a result of the assertion of such claim or cause of action. Such recovery of attorneys' fees and expenses shall be in addition to any other damages the Indemnified Party shall have suffered as a result of the breach.

[If any party lives in California, or if the Studio is located in California add this language: "SELLER, ITS GUARANTOR[S] AND ITS OWNERS EACH ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

SELLER, THE GUARANTOR(S) AND THE OWNERS, EACH BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA."]

**[9].** In the event that Seller and Purchaser fail to close on the Transfer, or if Purchaser fails to satisfactorily complete SpeedPro's Business Training, this Agreement shall become null, void and of no effect and therefore the Transfer will not be able to occur. This Agreement is binding upon and inures to the benefit of the Parties hereto and, as applicable, their parents, subsidiaries, affiliates, agents, servants, successors, assigns, heirs, executors, administrators, and legal representatives. This Agreement may be executed in counterparts and such counterparts shall together constitute a single document. This is the entire agreement between the Parties and all negotiations, representations and understandings between them have been included. This Agreement may not be amended or modified orally, but only through a writing signed by all of the Parties.

**THE PERSONS SIGNING THIS AGREEMENT REPRESENT THAT (A) THEY HAVE READ THIS AGREEMENT AND UNDERSTAND AND AGREE TO ITS TERMS, AND (B) THAT THEY HAVE THE AUTHORITY AND LEGAL CAPACITY TO SIGN THIS AGREEMENT AND MAKE THIS AGREEMENT BINDING UPON THE PARTIES.**

**SELLER:**

**PURCHASER:**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

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By: \_\_\_\_\_  
Its: \_\_\_\_\_

**FRANCHISOR:**

SP FRANCHISING LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_



**Exhibit K  
to SP Franchising LLC  
Franchise Disclosure Document**

**Renewal Amendment to Franchise Agreement**

## SP FRANCHISING LLC RENEWAL AMENDMENT TO FRANCHISE AGREEMENT

This Renewal Amendment to Franchise Agreement (“**Amendment**”) is made and entered into this [##] day of [MONTH], 20[##] (“**Effective Date**”), by and between SP Franchising LLC (“**Franchisor**”) and [FRANCHISEE], a [\_\_\_\_\_] (“**Franchisee**”). Franchisor and Franchisee may also be referred to collectively as the “**Parties**”.

### BACKGROUND

A. On \_\_\_\_\_, the Parties entered into a Franchise Agreement through which Franchisor granted Franchisee a license to own and operate a SpeedPro [Imaging] franchised business doing business as “[\_\_\_\_\_]” (the “**Franchised Business**”) in [CITY], [STATE] (the “**Initial Franchise Agreement**”).

B. The expiration date of the Initial Franchise Agreement [is/was] [\_\_\_\_\_, \_\_\_\_] (the “**Expiration Date**”).

C. The Initial Franchise Agreement granted Franchisee the right to renew the license granted through the Initial Franchise Agreement for an additional 10-year successor term if Franchisee met certain conditions.

D. The Parties agree that Franchisee has met the conditions.

E. Therefore, simultaneous with this Amendment, Franchisor and Franchisee entered into a new Franchise Agreement that is to be effective as of the Expiration Date (the “**Franchise Agreement**”) through which Franchisor will renew Franchisee’s license to operate the Franchised Business under, and pursuant to, the terms of the Franchise Agreement.

F. The Parties agree that because the Franchise Agreement is a renewal agreement, certain terms should not be applicable to Franchisee, and the Parties wish to amend the Franchise Agreement so that it reflects the terms and obligations that are to apply to Franchisee during the Franchise Agreement’s term.

G. Therefore, the Parties wish to amend the Franchise Agreement.

H. The Franchise Agreement states that it may not be altered in whole or in part except through a writing signed by the Parties.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

### AGREEMENT

1. Section 2.A. of the Franchise Agreement, titled “Grant of License” is amended so that it shall read as follows:



“A. *License Grant.* We grant you the right and license to operate one SpeedPro Studio identified by the Marks, to be located at the location designated on the Summary Pages (the “**Authorized Location**”). You accept the license and undertake the obligation to operate the SpeedPro Studio at the Authorized Location using the Marks and the System in compliance with the terms and conditions of this Agreement. You do not have any right to sublicense or sub-franchise the rights granted herein and do not have the right to operate more than one SpeedPro Studio.”

2. Section 2.B. of the Franchise Agreement, titled “Territory” is amended so that it shall read as follows:

“B. *Territory.* You must locate and operate the SpeedPro Studio at an Authorized Location within the area identified on the Summary Pages (the “**Territory**”). There are no conditions for you to keep your rights to the Territory, such as minimum sales quotas. We have the right to review and modify your Territory at any time throughout the Term if the number of businesses in your Territory exceeds 8,500 business. The Franchise Agreement will be amended to reflect any changes to the change in the Territory. Franchisee hereby irrevocably appoints Franchisor as Franchisee’s attorney-in-fact for the purpose of executing an amendment to the Franchise Agreement solely to reflect changes to the Territory. There are no other circumstances that permit us to modify your territorial rights. To the extent that you and your affiliates are in compliance with the terms of this Agreement and any other agreements with us and our affiliates, we and our affiliates will not locate and operate or grant to anyone else a franchise to locate and operate a SpeedPro Studio within the Territory so long as this Agreement is in effect, except as further provided in Section **Error! Reference source not found.**.”

3. Section 2.C. of the Franchise Agreement, titled “Opening” is deleted and replaced with the phrase, “[Intentionally Omitted.]”

4. Section 4.A. of the Franchise Agreement, titled “Term” is amended so that it shall read as follows:

“A. *Term.* The term of this Agreement is as set forth on the Summary Pages, and it commences on the Effective Date and expires on the Expiration Date noted on the Summary Pages, unless sooner terminated in accordance with Section 13.”

5. Section 4.B. of the Franchise Agreement, titled *Successor Term and Conditions of Renewal*” is deleted and replaced with the phrase, “[Intentionally Omitted.]”

6. Section 5.A. of the Franchise Agreement, titled *SpeedPro Studio Facility; SpeedPro Studio Opening; Site Under Control,*” is amended so that it shall read as follows:

“A. *SpeedPro Studio Facility.* During the term of this Agreement, you may not use the SpeedPro Studio premises or Authorized Location for any purpose other than the operation of a SpeedPro Studio in accordance with the terms of this Agreement. We make no guarantees concerning the success of the SpeedPro Studio located on any site to which we consent.”

7. Subsections 5.A(1), 5.A(2) and 5.A(3) of the Franchise Agreement are deleted in their entirety.

8. Subsection 5.B(1) of the Franchise Agreement is amended so that it shall read as follows:

“(1) You must equip the SpeedPro Studio in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings and design and layout of the SpeedPro Studio.”

9. Subsection 5.B(2) of the Franchise Agreement is amended so that it shall read as follows:

“(2) In regard to the SpeedPro Studio, you must: (i) use only the approved building materials, equipment, fixtures, furniture and signs; (ii) comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act at all times; (iii) maintain all required zoning designations, building, utility, health, sign and business permits and licenses and any other required permits and licenses; (iv) place or display at the Authorized Location only those signs, emblems, logos, and display materials authorized by us, and no others; and (v) ensure that the SpeedPro Studio site is open for deliveries on the dates specified by us and that you or another responsible individual is present to accept deliveries. It is your responsibility to comply with the foregoing.”

10. Subsection 5.B(3) of the Franchise Agreement is amended so that it shall read as follows:

“(3) Any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the SpeedPro Studio, whether at the request of you or of us, must be made in accordance with specifications we have approved. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.”

11. Subsection 5.B(4) of the Franchise Agreement is deleted in its entirety.

12. Subsection 6.D.(1) of the Franchise Agreement is amended so that it shall read as follows:

“(1) You must purchase and/or lease, at your own cost, and use any computer system that we develop or select for the SpeedPro Studio, and promptly implement (no later than within 90 days after notice from us), at your own cost, all future updates, upgrades, supplements, replacements and modifications thereto as we may require (the “Computer System”). The Computer System includes hardware (purchased by you at your own cost) and software used in the operation of the SpeedPro Studio, including workflow and customer relationship management software, Point-of-Sale (POS) systems, design and RIP software, five e-mails, CRM and accounting software. You are solely responsible to comply with all laws applicable to the POS System and other technology used in the operation of your SpeedPro Studio, including all data protection or security laws as well as PCI (payment card industry) compliance. The computer software package developed for use in the SpeedPro Studio may in the future include proprietary software. You may be required to license the proprietary software from us, an affiliate or an approved supplier and you also may be required to pay an additional software licensing or user fee in connection with your use of the software. All right, title and interest in the software will remain

with the licensor of the software. The computer hardware component of the Computer System must conform to the specifications we develop. We reserve the right to designate a single source from whom you must purchase or lease the Computer System.”

13. Section 6.J. of the Franchise Agreement, titled “Phone Service” is amended so that it shall read as follows:

“J. *Phone Service.* You must maintain at least one dedicated telephone line for use exclusively by the SpeedPro Studio. Each telephone line must have service features that we may require in the manuals or otherwise communicate to you from time to time. We may require you to provide a full-time employee or answering service to answer your telephone during regular business hours. All lines must be operational and functional at all times during the term of this Agreement. The telephone number for the SpeedPro Studio must be listed in a white-pages telephone directory under the Marks and the current address of your approved business location.”

14. Section 6.K. of the Franchise Agreement, titled “Delivery Vehicles” is amended so that it shall read as follows:

“K. *Delivery Vehicles.* You will be required to maintain and update your designated delivery vehicle signage/wrap every three (3) years at your sole expense during the term of this Agreement and ensure it is consistent with our then-current brand standards as set forth in the manuals.”

15. Section 7.B. of the Franchise Agreement, titled “Training” is amended so that it shall read as follows:

“B. *Training.* You must, at your expense, comply with all of our training requirements. If you are given notice of default under Sections **Error! Reference source not found.** or **Error! Reference source not found.** and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require, as a condition of curing the default, that you and/or general manager, at your expense, comply with the additional training requirements we prescribe. Under no circumstances may you permit management of the SpeedPro Studio’s operations by a person who has not successfully completed all the training we require. We reserve the right to offer the initial training program virtually.”

16. Section 9.A. of the Franchise Agreement, titled “Initial Franchise Fee” is deleted and replaced with the following

“A. *Renewal Fee.* You must pay to us, in certified funds, a nonrefundable Renewal Fee in the amount of [\$\_\_\_\_\_]. The Renewal Fee, payable in full on the date you sign this Agreement, is earned upon receipt and is in consideration for our expenses incurred and services rendered in reviewing and approving your renewal, and preparing this Agreement.”

17. Section 9.B. of the Franchise Agreement, titled “Start-Up Fee” is deleted and replaced with the phrase, “[Intentionally Omitted.]”

18. Section 9.C. of the Franchise Agreement, titled “Initial Marketing Fee” is deleted and replaced with the phrase, “[Intentionally Omitted.]”

19. Section 9.D. of the Franchise Agreement, titled “Royalty Fee” is amended so that it shall read as follows:

“D. *Royalty Fee.* In consideration of the rights granted to you, you must pay to us monthly the greater of the (1) Royalty Fee; or (2) Minimum Royalty Fee, no later than the seventh (7<sup>th</sup>) day following the end of the month during which the Gross Sales on which they are calculated were accrued, or such other day that we designate as the due date in the manuals (the date designated herein, or otherwise designated by us shall be referred to as the “Payment Date”).

(1) Royalty Fee

| <b>Royalty Fee Percentage of Gross Sales</b> | <b>Range of Gross Sales</b>                                             |
|----------------------------------------------|-------------------------------------------------------------------------|
| 6.0%                                         | On the first \$60,000 in Gross Sales received each month                |
| 4.0%                                         | On all Gross Sales in excess of \$60,000 received in a particular month |

(2) Minimum Royalty Fee

| <b>Minimum Royalty Fee</b> |
|----------------------------|
| \$1,500                    |

20. Subsection 9.G.(1) is amended so that it shall read as follows:

“(1) Except for the Renewal Fee, you must compute all amounts due and owing under this Agreement at the end of each month’s operation and remit the amounts to us on or before the Payment Date, accompanied (or preceded, as applicable) by any reports we may require under Section 9.I. We reserve the right to change the reporting deadline for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require for us to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you. Further, if you are delinquent in the payment of any amounts owed to us, we may require you to prepay estimated Royalty Fees and Marketing Fund Fees.”

21. Subsection 13.B.(2)(xi) of the Franchise Agreement is deleted and replaced with the phrase, “[Intentionally Omitted.]”

22. Section 15.P. of the Franchise Agreement, titled “Effective Date” is amended so that it shall read as follows:

“P. *Effective Date.* We will designate the “Effective Date” of this Agreement in the space provided in the Summary Pages. If no Effective Date is designated on the Summary Pages, the Effective Date is the date when we sign this Agreement.”

23. The blank document attached as Appendix C to the Franchise Agreement, is deleted and replaced with the executed document titled “[Consent and Agreement of Landlord]” attached hereto.

24. The blank document attached as Appendix D to the Franchise Agreement, is deleted and replaced with the executed document titled “[Authorization Regarding Electronic Remittance System]” attached hereto.

25. Appendix E to the Franchise Agreement, titled “Start-Up Package Opening Inventory List” is deleted in its entirety and replaced with the following:

“Appendix E to the Franchise Agreement

[Intentionally Omitted.]”

26. Release of Franchisor. In consideration of Franchisor entering into the Franchise Agreement, granting Franchisee a new 10-year term successor agreement, and agreeing to the amendments and other terms referenced herein, Franchisee, on behalf of itself, its owners, their spouses, heirs, and personal representatives, and its and their agents, parents, subsidiaries, owners, directors, officers, managers, employees and affiliates (“**Franchisee Parties**”) release Franchisor and its affiliates, parents, and subsidiaries, and their respective officers, directors, owners, managers, employees, and agents (collectively, “**Indemnified Parties**”) from any and all obligations, claims or other liabilities arising in connection with the Franchise Agreement, the Initial Franchise Agreement and the relationship between Franchisor and Franchisee. Franchisee Parties affirm, acknowledge and represent that Franchisor has fully and faithfully performed all of its obligations, pursuant to the terms and conditions of the Initial Franchise Agreement. Franchisee Parties jointly and severally affirm that they do not have any defense, claim, offset, counterclaim or other claim or action against the Indemnified Parties, with respect to the Initial Franchise Agreement, the Franchise Agreement or any other franchise agreements between the Franchisee and Franchisor or otherwise, or arising out of negotiations prior to or contemporaneous with the execution of this Amendment, or any other agreements, and that even if such claim, action, defense, offset or counterclaim exists or might exist on the date hereof (whether known or unknown), Franchisee Parties knowingly and jointly and severally waive, release, and relinquish all claims, actions, defenses, offset or counterclaims against the Indemnified Parties. Franchisee Parties acknowledge that Franchisor has not exercised control over any of Franchisee’s respective operations, and that Franchisee Parties are not acting under any duress or coercion with the execution of this Amendment. Franchisee Parties represent and warrant to Franchisor that they have obtained the advice of independent legal counsel with respect to their execution of this Agreement, and the matters set forth herein, or had the opportunity to do so. This Section 26, including, without limitation, the release herein, will be effective as of the date Franchisee executes this Amendment.

[If any party lives in California, or if the Studio is located in California add this language:  
“FRANCHISEE, ITS GUARANTOR[S] AND ITS OWNERS EACH ACKNOWLEDGE THAT

THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

FRANCHISEE, GUARANTOR AND OWNERS, EACH BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA.”]

27. Effectiveness of Agreement. To the extent not amended herein, all other terms and conditions of the Franchise Agreement shall remain in full force and effect. No references to the amendments contained herein need be made in any instrument or document at any time referring to the Franchise Agreement and any such reference is deemed to be a reference to the Franchise Agreement as amended by this Amendment and any subsequent amendment to the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Amendment, the terms of this Amendment shall control. All capitalized terms not defined in this Amendment shall have the respective meanings set forth in the Franchise Agreement.

28. Entire Agreement; Governing Law; Counterparts. This Amendment and the documents provided for herein contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings with respect thereto. This Amendment may only be amended by a written document duly executed by all Parties. This Amendment shall be governed by and construed in accordance with the laws of Colorado, without reference to its choice of law provisions. This Amendment shall inure to the benefit of and shall be binding upon the respective successors, heirs, administrators, executors, personal representatives, trustees, and permitted assigns of the Parties. This Amendment may be executed in multiple counterparts, each considered an original, but all of which shall constitute but one Amendment.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Amendment as of the Effective Date.

**FRANCHISOR:**

**SP Franchising LLC**

By:

\_\_\_\_\_  
Paul Brewster

Its: President & CEO

**FRANCHISEE:**

[\_\_\_\_\_]

By:

\_\_\_\_\_

Its: \_\_\_\_\_

By:

\_\_\_\_\_

Its: \_\_\_\_\_

By:

\_\_\_\_\_

Its: \_\_\_\_\_

[Consent and Agreement of Landlord]



[Authorization Regarding Electronic Remittance System]



**Exhibit L  
to SP Franchising LLC  
Franchise Disclosure Document**

**State Effective Dates**

The following states have franchise laws that 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:

| <b>State</b> | <b>Effective Date</b> |
|--------------|-----------------------|
| California   | Pending               |
| Hawaii       | Not Registered        |
| Illinois     | Pending               |
| Indiana      | Pending               |
| Maryland     | Pending               |
| Michigan     | Pending               |
| Minnesota    | Pending               |
| New York     | Pending               |
| North Dakota | Not Registered        |
| Rhode Island | Not Registered        |
| South Dakota | Not Registered        |
| Virginia     | Pending               |
| Washington   | Pending               |
| Wisconsin    | 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 M**  
**to SP Franchising LLC**  
**Franchise Disclosure Document**

**Receipt Pages**

## RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. If applicable: Under Michigan law, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale; under Iowa and New York law, we must provide this disclosure document to you at the earlier of your first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale.

If we do not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in **Exhibit A**.

The name, principal business address and telephone number of each franchise seller offering the franchise (check as applicable):

|                                                                                                                                                                           |                                       |                                       |                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|
| <input type="checkbox"/> Paul Brewster                                                                                                                                    | <input type="checkbox"/> Steve Ritley | <input type="checkbox"/> Dave Higgins | <input type="checkbox"/> _____ |
| Principal business address and telephone number for each franchise seller identified above is:<br>7000 S. Yosemite Street, Suite 100, Centennial, CO 80112 (844) 274-4784 |                                       |                                       |                                |

Date of Issuance: April 3, 2025

See **Exhibit A** for our registered agents authorized to receive service of process.

I (the undersigned) received a Franchise Disclosure Document dated April 2, 2025 that included the following exhibits: (A) Directory of State Administrators and Agents for Service of Process; (B) Franchise Agreement (including appendices); (C) Financial Statements; (D) Confidential Operations Manual Table of Contents; (E) Confidentiality and Non-Competition Agreement; (F) General Release of Claims; (G) Franchisee List; (H) State Addenda; (I) Deposit Agreement ; (J) State Effective Dates; and (K) Receipt (2 copies).

|               |                    |                       |
|---------------|--------------------|-----------------------|
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |

Please date and sign this copy of the Receipt and return it to SP Franchising LLC, 7000 S. Yosemite St., Suite 100, Centennial, Colorado 80112.

## RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. If applicable: Under Michigan law, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale; under Iowa and New York law, we must provide this disclosure document to you at the earlier of your first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale.

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|                                                                                                                                                                           |                                       |                                       |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------|
| <input type="checkbox"/> Paul Brewster                                                                                                                                    | <input type="checkbox"/> Steve Ritley | <input type="checkbox"/> Dave Higgins | <input type="checkbox"/> |
| Principal business address and telephone number for each franchise seller identified above is:<br>7000 S. Yosemite Street, Suite 100, Centennial, CO 80112 (844) 274-4784 |                                       |                                       |                          |

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|               |                    |                       |
|---------------|--------------------|-----------------------|
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |

Please date and sign this copy of the Receipt and keep for your records.