FRANCHISE DISCLOSURE DOCUMENT

Gasket Guy Franchise Company, LLC
A Delaware limited liability company
3001 McCall Dr.
Atlanta, GA 30340
Phone: (877) 442-7538
Email: franchising@gasketguy.com
Website: www.gasketguy.com

GASKET GUY

We grant franchises known as “Gasket Guy,” a business specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting boards.

The total investment necessary to begin operation of a Gasket Guy franchise ranges from $80,050 to $361,400. This includes $60,500 to $302,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation under an area development agreement, assuming the purchase of two to five units, is $140,050 to $361,400. This includes $120,500 to $302,500 that must be paid to the franchisor or affiliate. You must agree to develop at least two units under an area development agreement.

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 Sean Dillon, Gasket Guy Franchise Company, LLC, 3001 McCall Dr., Atlanta, GA 30340, telephone: (877) 442-7538.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read your entire 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 (“FTC”). 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 for additional information on franchising. 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 30, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchises. You can find their names and contact information in Item 20 or Exhibits F and G.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Gasket Guy business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Gasket Guy franchisee?	Item 20 or Exhibits F and G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees</u>. You may have to pay royalties and other fees even if you are losing money.

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

<u>Competition from franchisor</u>. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

<u>Renewal</u>. 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.

<u>When your franchise ends</u>. 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 D.

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 the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Georgia. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Georgia than in your own state.

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

3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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.

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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 a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise 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 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures, and furnishings. Personalized materials 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 applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent not to renew the franchise.

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to 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 franchise 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 provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

TABLE OF CONTENTS

ITEM PAGE

EXHIBITS TO DISCLOSURE DOCUMENT:

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

To simplify the language in this Disclosure Document, the terms, "We," "Us," "the Company" or "Gasket Guy" means Gasket Guy Franchise Company, LLC, the franchisor (but not the Company's officers, directors, agents or employees). "You" or "Franchise Owner" means the person who buys a franchise from us. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. "You" or "Area Developer" under the Area Development Agreement means the person who is an Area Developer. Unless otherwise indicated, the term "Franchised Business" or "Office" means a franchised Gasket Guy Office.

The Franchisor, Its Predecessors and Affiliates

We are a Delaware limited liability company created on March 13, 2022. Our principal business and mailing address is 3001 McCall Dr., Atlanta, GA 30340, and the telephone number is (877) 442-7538. We are not engaged in any other business. We have offered franchises since May 23, 2022. We have not operated the type of business that is being offered under this disclosure document, but our affiliate and its predecessor has since 2010. From time-to-time we may also own or operate similar businesses, but do not do so at present.

Our immediate parent company is Gaskets Acquisition LLC ("Gaskets Acquisition"), which sells products to our franchisees. It has a principal place of business of 3001 McCall Drive, Doraville, Georgia.

Gaskets Acquisition is wholly owned by Diversified Foodservice Supply, LLC ("Diversified Foodservice Supply"), which has a principal place of business at 620 Darling Drive, Suite 1, Vernon Hills, IL 60061. Diversified Foodservice Supply is wholly owned by DFS Intermediate Holding Company, LLC, which is wholly owned by DFS Holding Company, Inc., which is wholly owned by DFS Acquisitions Corp., which is wholly owned by DFS Omaha Intermediate HoldCo Corp., which is wholly owned by DFS FinCo. Corp., which is wholly owned by DFS Parent Holdings Corp., which is wholly owned by DFS Parent Holdings Corp. II, which is wholly owned by the ultimate parent company DFS Parent, LLC (collectively, the "DFS Companies"). Each of the DFS Companies have a principal business address of c/o New Mountain Capital, L.L.C., 787 Seventh Avenue, New York, NY 10019.

In a transaction completed on February 24, 2022, Gaskets Acquisition acquired substantially all the assets of Gasket Guy Franchising, LLC ("Predecessor"), its affiliates Gasket Guy, LLC ("GG LLC"), and Gaskets Unlimited, LLC ("Gaskets Unlimited"). Predecessor was the franchisor of the Gasket Guy franchise system from May 2020 to February 2022, and offered franchises from August 2020 to February 2022. Predecessor did not offer franchises in any other line of business and did not engage in any other business. Predecessor's principal business address is the same as ours. GG LLC had previously offered licenses to third parties for the operation of Gasket Guy non-franchised businesses.

On February 24, 2022, as a part of a larger acquisition of equity interest in other entities and assets unrelated to the Gasket Guy system, Diversified Foodservice Supply acquired the equity interest in Gaskets Acquisition, which contained substantially all of the assets of Predecessor, GG LLC, and Gaskets Unlimited.

We then acquired the franchise assets related to the Gasket Guy franchise system on May 23, 2022, as the result of an internal transaction between us and Gaskets Acquisition. We did not acquire any of the licenses that were previously offered or sold by GG LLC, and as of the issuance date of this disclosure document, those assets currently remain with Gaskets Acquisition. Neither we, our affiliates, or any of our parent company have ever offered or sold any licenses to third parties for the operation of Gasket Guy non-franchised businesses.

Except as described above, we do not have any other parents, affiliates, or predecessors that are required to be disclosed.

The Office

We grant franchises known as "Gasket Guy," a business specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting boards.

Under the Standard Franchise Agreement (the "Franchise Agreement" or the "Agreement"), which is Exhibit A of this Disclosure Document, we offer qualified purchasers the right to establish and operate an Office from a single location (the "Location") within a specified Territory (the "Territory"). The Franchise Agreement gives you the right to operate the Office under the name and mark "Gasket Guy" and other marks designated by us from time-to-time (all referred to as the "Proprietary Marks").

You must operate your franchise in accordance with the standards and procedures designated by the Company (the "System"), and according to our Operations Manuals (the "Manual") (see Item 11 for details).

If you commit to develop more than one Office, you will enter into an Area Development Agreement. The Area Development Agreement will set a time-table for the development of the Offices within a defined geographic area. Each Area Development Agreement will be between you and your owners and us, with each of your owners guaranteeing your obligations to us.

Area Development Agreement

The Franchise Agreement for the first Office developed under an Area Development Agreement will be the current form of Gasket Guy Franchise Agreement attached to the Area Development Agreement as Exhibit D. The Franchise Agreement for each additional Office developed under an Area Development Agreement will be the then-current form of Franchise Agreement being offered generally by us at the time that each such Franchise Agreement is executed (which may be different from the form of Franchise Agreement attached to this Disclosure Document).

The Market and Competition

The market for Gasket Guy franchises includes all facilities that have commercial refrigeration equipment. However, you will be working primarily with restaurant Owners, General Managers, Kitchen Managers and Head Cooks. Replacing commercial refrigeration gaskets is something that kitchen operators must oversee on a regular basis for two compelling reasons: (1) Gaskets wear out—as often as monthly in heavy-used locations; and (2) Gaskets are required to be replaced by health inspectors if torn or worn-out. We also provide our customers with new cutting boards, hot-side gaskets, door sweeps and closers, strip curtains, and hardware repair.

In addition to working with restaurants, we also work with supermarkets, convenience stores, hotels, colleges, country clubs, school systems, nursing homes, hospitals and hospitality venues and anyone who has a commercial refrigeration unit. We do not expect there to be any material seasonal variations in the market. You will compete with other retail businesses which may sell similar products to its customers, some of which may be franchised. This is an established market.

Laws and Regulations

There are no specific federal or state laws relating to the operation of your Franchised Business or to the industry, but there may be laws and regulations in your state or county that may apply to the operation of the Office. In addition to laws and regulations that apply to businesses generally, the Office may be subject to federal, state and local laws, occupational safety and health regulations, Equal Employment Opportunity and Americans with Disabilities Act rules and regulations. Some jurisdictions may choose to regulate vigorously these and other laws that may adversely affect your ability to obtain the proper permits needed in order to open the Office. Prior to signing the Franchise Agreement, we strongly recommend that you consult with local counsel to make sure that you will be able to obtain all necessary permits and licenses in order to operate the Office in your Territory.

Agent for Service of Process

Our agent for service of process in the state of Georgia is David Eastman, 881 Piedmont Ave NE #200, Atlanta, GA 30309 and telephone number (404) 477-2600. Our agents for service of process in other states are located in Exhibit D to this Disclosure Document.

Prior Business Experience

We are engaged in the sale of franchises to operate a Gasket Guy Office, and we have no prior history of engaging in the sale of franchises. We have never offered franchises in any other line of business, nor do we intend to do so.

Item 2
BUSINESS EXPERIENCE

Sean Dillon – Chief Operating Officer

Mr. Dillon has been our Chief Operating Officer since March 2022. Prior to that, Mr. Dillon was the Chief Executive Officer of Gasket Guy LLC in Atlanta, GA from March 2012 to March 2022, and was a Founder and manager of Gasket Guy Franchising, LLC in Atlanta, GA from May 2020 to March 2022.

Dave Brautigan – Chief Executive Officer and President of Diversified Food Service Supply

Mr. Brautigan has been the CEO and President of Diversified Food Service Supply since November 2023, and the CEO and President of Gasket Acquisition since November 2023. Mr. Brautigan has also served as the Chief Executive Officer for Mix Tape Ventures since January 2005 in Norcross, Georgia.

David Shadduck – Chief Financial Officer of Diversified Food Service Supply

Mr. Shadduck has been the CFO of Diversified Food Service Supply since March 2020. Prior to that, Mr. Shadduck was the President of Farm Group in Lake Forest, IL from October 2016 to March 2019.

Item 3
LITIGATION

Our Litigation

No litigation is required to be disclosed.

Government Actions

State of California Consent Order. We signed a Consent Order with the Commissioner of the California Department of Financial Protection and Innovation (the "Commissioner") on January 28, 2025. BWGaskets, Inc. was the original owner and licensor of the Gasket Guy system between approximately 2004 to 2013, who then sold substantially all of its assets to Gasket Guy, LLC around 2013. Gasket Guy Franchising, LLC, our predecessor, was formed in 2020, and was the franchisor of the franchise system until 2022. We were then formed in March 2022 and acquired the franchise-related assets in May 2022. The Commissioner alleged that Gasket Guy sold five license agreements in California from 2005 to 2017 without an effective registration or exemption in California. The Commissioner concluded that we offered franchises in California in violation of Corporations Code section 31110 based on the sale of those license agreements between 2005 to 2017. Under the Consent Order, we agreed to desist and refrain from violating Corporations Code section 31110 and from any violations of the Franchise Investment Law Corporations Code 31000, et seq., and to pay an administrative penalty of $12,500.

Predecessor's Government Actions

State of Minnesota Consent Order. On February 1, 2022, our predecessor Gasket Guy Franchising, LLC ("Predecessor") and its affiliate Gasket Guy, LLC ("GG LLC") signed an agreement containing a consent order with the Minnesota Department of Commerce relating to the prior sale of a Gasket Guy dealership in Minnesota. In response to Predecessor filing an initial franchise registration application with the State of Minnesota, the State investigated GG LLC's prior sale of a dealership in Minnesota that granted the dealer the right to use the Gasket Guys name in exchange for a monthly fee. While the dealership agreement was terminated in September 2018 and the former dealer has since only purchased goods from GG LLC or an affiliate at bona fide wholesale prices, the State concluded that the previously entered dealership agreement constituted a franchisee agreement under Minnesota law, and GG LLC had not been registered to offer or sell franchises in Minnesota. On February 1, 2022, the parties signed the consent order, under which GG LLC agreed to pay a $1,000 fine to the State of Minnesota and agreed to no longer charge or collect any royalties, license fees, or similar fees from parties operating in Minnesota using the "Gasket Guy" brand, except in connection with the sale of goods at bona fide wholesale prices to the former Minnesota dealer, provided there is no required fixed or minimum purchase requirements. Predecessor and GG LLC also agreed to cease and desist from violating any laws under Minnesota Statute Chapters 45 and 80C until it was registered to offer and sell franchises in Minnesota or otherwise qualified for an exemption from registration.

Except as described above, no other litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Initial Franchise Fee.

The Initial Franchise Fee will be determined by the Retail Food Service Customers Report ("RFSC") in a given geography area. This will be based on data compiled by the Environmental Systems Research Institute, Inc. ("ESRI") and Data Axle USA. The Initial Franchise Fee is as follows:

Total RFSC’s	Initial Franchise Fee
2,000	$60,000
3,000	$90,000
4,000	$120,000
5,000	$150,000
6,000	$180,000
7,000	$210,000
8,000	$240,000
9,000	$270,000
10,000	$300,000

The Initial Franchise Fee is fully earned upon receipt and non-refundable. There is no financing available from us for the payment of the Initial Franchise Fee.

During fiscal year 2024, we charged Initial Franchise Fees ranging from $0 to $229,680.

Initial Inventory and Supplies

Upon signing the Franchise Agreement, you must purchase an initial inventory and supply package from us. Depending on the total RFSC’s purchased, your initial inventory and supply fee will range from $500 to $2,500. The initial inventory and supply fee is fully earned upon receipt and non-refundable. There is no financing available from us for the payment of the initial inventory and supply fee.

Refunds

If you choose to terminate your Franchise Agreement no less than 6 months after you open your Office, but no more than 12 months after you open your Office, and you are not in default of your Franchise Agreement or any other agreement between you and us or our affiliates, we will refund to you 50% of the Initial Franchise Fee. If you choose to exercise this option, we reserve the right to pay to you this refund within 36 months upon written notice to you.

U.S. Veterans’ Discount

If (i) you are a veteran, (ii) your spouse is a veteran or on active duty, (iii) your biological mother or father is a veteran or on active duty, (iv) your spouse’s biological mother or father is a veteran or on active duty, (v) your child is a veteran or on active duty, or (vi) the shareholders, members, or partners owning at least 51% of the franchised business are veterans then we will give you a 5% discount off your Initial Franchise Fee. “Veteran” means honorably discharged from the United States Army, United States Navy, United States Air Force, United States Marine Corps, or United States Coast Guard and can provide proof of veteran or military status by providing a DD214 form or similar military orders. A child is defined as a biological child or legally adopted child.

Other than as described above, the Initial Franchise Fee is non-refundable.

Area Development Fee

If you sign an Area Development Agreement and agree to purchase and develop at least one additional franchise, you shall pay to us the initial franchise fees for each location you plan to own and operate (collectively, the "Area Development Fee") upon executing the Area Development Agreement. The Area Development Fee is deemed fully earned upon receipt and is non-refundable. You must agree to develop at least two units under an area development agreement.

All of the fees described in Item 5 are uniformly calculated and imposed.

Item 6
OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	Monthly minimum payments: Months 1 through 6: $0 per month. Months 7 through 12: $750 per month. After Month 12: $1,200 per month or 6% of your Monthly Gross Revenues, whichever is greater.	By the 15th day of the following month	See Note 1 below
Brand Marketing Fund	If imposed, 1% of Monthly Gross Revenues	By the 15th day of the following month	See Note 2 below
Late Payment	$100 per incident plus 1½% interest per month, or maximum allowed by law	When payment is overdue	See Note 3 below
Additional Training, Assistance & Refresher Training	A per diem in the amount of $300 - $600 per day to be charged by us	Before Additional Training, Assistance or Refresher Training Begins	See Note 4 below
Renewal Fee	10% of then-current Initial Franchise Fee	Upon signing new Franchise Agreement	See Note 5 below
Transfer Fee	20% of then-current Initial Franchise Fee	Before transfer is effective	See Note 6 below
Attorney Fees and Costs	Actual fees and costs	After adjudication of legal matter	See Note 7 below
Supplier Approval	Actual costs of supplier approval	Upon receipt of bill	See Note 8 below
Audit Costs	Actual costs of audit plus interest on amount of overdue monies	Upon receipt of bill	See Note 9 below
Software Updates	Actual costs of updated software programs and training (if applicable)	Upon receipt of bill	See Note 10 below
Relocation Expenses	Actual costs of relocation	Upon receipt of bill	See Note 11 below
Indemnification Fees	Actual costs of indemnification	Upon receipt of bill	See Note 12 below

FOOTNOTES TO ITEM 6

Note 1 Royalty Fee. All Royalty Fees payable (which include your Monthly Minimum Payments) are payable on the 15th day of the month for the immediately-preceding month.

You will be required to execute the forms and complete the reasonable procedures we have established for a bank draft arrangement whereby we will be able to present a draft for the Royalty Fee to the bank or other financial institution used by us. You must have sufficient funds in your account for the bank draft to be honored by your bank or other financial institution and agree to advise us in advance of any change in your bank, financial institution or account. We will submit bank drafts only for the correct Royalty Fee as noted in your Franchise Agreement (See Attachment F to the Franchise Agreement for the form of Bank Draft Authorization to be executed by you). Royalty Fees are uniformly imposed by us throughout the System and the Royalty Fees are not refundable. See the Manual for more details.

The term "Gross Revenues" means the amount of all receipts for the sale of any products or services at the Office and income of every other kind and nature related to the Office, whether for products or services, cash, exchange, or credit, regardless of collection in a case of credit, less any refunds; provided, however, that "Gross Revenues" shall not include any sales taxes or other taxes collected by you for transmittal to the appropriate taxing authority.

Note 2 Brand Marketing Fund. We reserve the right to establish a Brand Marketing Fund ("Brand Fund") and to require a monthly contribution to the Brand Fund in an amount equal to one percent (1%) of your Office's monthly Gross Revenues. Payments will be due by the 15th day of the following month. The Brand Fund is currently not imposed.

Note 3 Late Payment. If you fail to pay your Royalty Fee or for inventory or supplies purchased from us or our affiliated company (if applicable), then you are subject to a late fee of $100 per incident plus 1½% interest per month of the unpaid balance, or the maximum permitted by law, whichever is higher. However, if during a 12-month period, you are late with your payments to us or one of our affiliated companies, by more than five days on three or more occasions, then all of your future purchases from us or one of our affiliated companies must be paid on a Cash-On Delivery basis.

Note 4 Additional Training, Assistance and Refresher Training. We will provide initial training for you and your designated representative for no extra charge. We permit franchise owners to send additional persons to the initial training class on a space-available basis and may charge a fee, to be based upon a daily per diem charge as outlined in our Manual, and the costs involved in such training. We also reserve the right to charge per diem charges for other training courses. As of the date of this Disclosure Document, the daily per diem charge ranges from $300 to $600, depending upon our personnel involved in such training. You are also responsible for all out-of-pocket expenses (including travel and lodging costs, if any) involved in such additional training, assistance or refresher training.

Note 5 Renewal Fee. If you renew your Franchise Agreement, then we will charge a renewal fee of 10% of the then-current Initial Franchise Fee. There are other conditions for renewal (See Item 17 in this Disclosure Document).

Note 6 Transfer Fee. If you desire to transfer or assign your Franchised Territory to another person or entity, then we will charge you a transfer fee of 20% of the then-current Initial Franchise Fee charged by us in the then-current Franchise Agreement. There are other conditions for transfer or assignment (See Item 17 in this Disclosure Document).

Note 7 Attorney Fees and Costs. The prevailing party in any legal proceeding between you and us will have its attorneys' fees and costs paid by the other party in such legal proceedings.

Note 8 Supplier Approval. We reserve the right to charge you a fee for reviewing a proposed supplier's goods or services which may be used in connection with your Office. If we determine that it is necessary to inspect the supplier's facilities or financial statements or conduct tests of such proposed goods or services, then we will require you or the supplier to pay our actual costs incurred for such inspection and testing (See the Manual for more details).

Note 9 Audit Costs. If we audit your Office and find that you have under-reported Gross Revenues by 5% or more, or the audit is caused by your failure to provide certain supporting records, etc. to us, then you will be required to pay a late fee and the costs of the audit. You will also be required to pay interest on past-due amounts (See Note 4 above).

Note 10 Software Updates. You must purchase all updates for your software programs, as sent to you by the software provider(s). We will also send you software updates, as we deem necessary, for other materials that we have prepared for your benefit. Typically, these funds are paid to your software vendor(s).

Note 11 Relocation Expenses. If you wish to relocate your Office, then you must obtain our prior written permission. You will be responsible for all costs involved in any such relocation.

Note 12 Indemnification Fees. Under the Franchise Agreement, you are solely obligated for and must indemnify and hold us harmless from all losses, damages, claims and expenses arising in connection with any of the matters set forth in the Section entitled "Indemnification" of the Franchise Agreement.

All expenditures in Item 6 are non-refundable and are uniformly imposed.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)

Type of Expenditure	Amount	When Due	Method of Payment	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$60,000 - $300,000	Upon signing the Franchise Agreement	As Arranged	Us
Vehicle – leased (3-months) (Note 2)	$1,800 - $3,800	As Arranged	As Arranged	Third Parties
Vehicle – purchased (3- months) (Note 2)	$10,000 - $21,800	As Arranged	As Arranged	Third Parties
Initial Inventory & Supplies (Note 3)	$500-$2,500	As Arranged	As Arranged	Us
Initial Marketing Campaign (Note 4)	$1,000	As Arranged	As Arranged	Third Parties
Legal & Accounting Fees (Note 5)	$750-$2,000	As Arranged	As Arranged	Attorney & Accountant
Computer Hardware &Software (Note 6)	$500-$2,500	As Arranged	As Arranged	Third Parties
Office Equipment, Furniture & Supplies (Note 7)	$100-$1,000	As Arranged	As Arranged	Third Parties
Additional Funds - 3 Months (Note 8)	$15,000 -$30,000	As Arranged	As Arranged	Third Parties
Travel and Living Expenses while Training (Note 9)	$400 - $600	As Arranged	As Arranged	Third Parties
TOTAL (with Leased Vehicle)	$80,050 - $343,400			
TOTAL (with Purchased Vehicle)	$88,250 - $361,400			

YOUR ESTIMATED INITIAL INVESTMENT (AREA DEVELOPMENT AGREEMENT)

Type of Expenditure	Amount	When Due	Method of Payment	To Whom Payment is to be Made
Development Fee (for 2-5 franchised businesses with 2,000 RFSC per franchise)	$120,000 - $300,000	Upon signing the Area Development Agreement	As Arranged	Us
Initial Investment for Initial Location (with Leased Vehicle) (Note 10)	$20,050 - $43,400	See the table in this Item 7 titled, “Your Estimated Initial Investment (Franchise Agreement)”		

Type of Expenditure	Amount	When Due	Method of Payment	To Whom Payment is to be Made
Initial Investment for Initial Location (with Purchased Vehicle) (Note 10)	$28,250 - $61,400	See the table in this Item 7 titled, "Your Estimated Initial Investment (Franchise Agreement)"		
TOTAL (with Leased Vehicle)	**$140,050 - $343,400**	This is the total estimated initial investment to enter into an Area Development Agreement for the right to own a total of 2-5 locations with 2,000 RFSC's per location, as well as the costs to open and commence operating your initial location for the first three months (as described more fully in the table in this Item 7 titled, "Your Estimated Initial Investment (Franchise Agreement)"). You must agree to develop at least two units under an Area Development Agreement.		
TOTAL (with Purchased Vehicle)	**$148,250 - $361,400**	This is the total estimated initial investment to enter into an Area Development Agreement for the right to own a total of 2-5 locations with 2,000 RFSC's per location, as well as the costs to open and commence operating your initial location for the first three months (as described more fully in the table in this Item 7 titled, "Your Estimated Initial Investment (Franchise Agreement)"). You must agree to develop at least two units under an Area Development Agreement.		

Except for the Initial Franchise Fee as described in Item 5, all expenditures in Item 7 are non-refundable.

Note 1 Initial Franchise Fee. All Franchise Owners pay an Initial Franchise Fee based on the value of their Franchised Territory. We have estimated that the total investment includes the Initial Franchise Fee of $60,000 to $300,000 for a franchise. The Initial Franchise Fee will be determined by the Retail Food Service Customers Report ("RFSC") or Smappen (a territory mapping software) in a geographical area. This will be based on data compiled by the Environmental Systems Research Institute, Inc. ("ESRI") and Smappen. The determination of RFSC's is only for the purposes of determining the Initial Franchise Fee and is not a representation as to the potential number of customers in your Territory.

The Initial Franchise Fee is fully earned in consideration of administrative and other expenses incurred by us in entering into the Agreement and for our lost or deferred opportunity to enter into the Agreement with others. There is no financing available from us for the payment of the Initial Franchise Fee. The Initial Franchise Fee is uniform to all Franchise Owners.

Note 2 Vehicle. You must purchase or lease a vehicle that meets our specifications, as discussed in the Manual. Your vehicle, at all times, must display our approved mobile marketing materials. We estimate that the total cost to purchase a vehicle will be $10,000 - $20,000 with monthly payments of $400 - $600. We estimate that the initial cost to print and install the mobile marketing will be $600 - $2,000. The ranges in this Item 7 are for monthly financing payments for 3-months plus the cost of printing and installing the mobile marketing.

Note 3 Initial Inventory & Supplies. Most products will not be carried in inventory. You will order supplies only after an order is confirmed. You can choose to buy a small inventory of door closers and hinges to service immediate customer needs.

Note 4 Initial Marketing Campaign. You are required to spend at least $1,000 for your Initial Marketing Campaign expenses. You must spend such monies prior to and during the first 60 days of opening your Office. See the Manual for details.

Note 5 Legal and Accounting Fees. We estimate that your legal and accounting fees will be $750 to $2,000. These legal fees will be paid by you to hire an attorney to create a new form of organization for your Office (e.g. corporation, limited liability company), review the proposed Lease Agreement and Employee Handbook. You should also retain an accounting or bookkeeping firm to assist in the set up and preparation of an accounting system.

Note 6 Computer Hardware and Software. We estimate the your computer hardware and software costs will be approximately $500 to $2,500. We recommend a laptop computer and a 4-in-1 office printer and software for operating the personal computer, Google G Suite, and QuickBooks Online.

Note 7 Office Equipment, Furniture, and Supplies. We estimate that your office equipment, furniture and supplies costs will be $100 to $1,000. This includes items such as a desk, chairs, file cabinets, shelves and miscellaneous office supplies, etc. If your Office will be in an Executive Office complex, you will only need to purchase miscellaneous office supplies. If your office is home-based, there is no requirement to purchase office equipment, furniture, and supplies.

Note 8 Additional Funds (Working Capital). The estimate of additional funds is for anticipated working capital based on an Owner-operated business and does not include any allowance for an Owner's salary. The estimate of $15,000 to $30,000 is for a period of at least three months. We estimate that, in general, you may expect to put additional cash into the business during at least the first three months, and sometimes longer, but we cannot estimate or promise when or whether, you will achieve a positive cash flow or profits.

We do not offer direct or indirect financing to Franchise Owners for any items.

We relied on our experience and the experience of our affiliated company, Gasket Guy, LLC, in operating Gasket Guy Office in compiling these estimates.

Note 9 Travel and Living Expenses while Traveling. This range represents the costs of traveling from your state to the franchisor's headquarters. While at training, the franchisor will provide all hotel accommodations, as well as all meals.

Note 10 Initial Investment for Initial Location (for Area Development Agreement). This figure represents the total estimated initial investment required to open the initial location you agreed to open and operate under the Area Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial location you open under your Area Development Agreement. The range includes all the items outlined in the table in this Item 7 titled, "Your Estimated Initial Investment (Franchise Agreement)," except for the Initial Franchise Fee because those are factored into the Area Development Fee. It does not include any of the costs you will incur in opening any additional location(s) that you are granted the right to open and operate under your Area Development Agreement.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products and Services

You must purchase certain products, supplies and equipment under specifications and standards that we periodically establish in the Franchise Agreement, Manual or other notices we send to you from time-to-time. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment or services.

We may choose to negotiate purchase agreements for certain equipment or supplies. You may purchase such equipment or supplies from such designated suppliers or from any approved supplier on such terms as you negotiate. As of the date of this disclosure document, we are the manufacturer and sole supplier of gaskets and certain hardware that you must use for your Franchised Business. However, we may permit you to purchase those items from another supplier provided that an alternative supplier is selling it at a cheaper price and we are unable to match the lower price. The Manual contains details relating to such purchases. At the time you open the Office, you must stock and offer the initial inventory of products, services and supplies required by us as outlined in the Manual, or otherwise in writing.

You must offer in your Gasket Guy Office only the products, services and brands that we have designated in the Manual or otherwise in writing. You must offer all items that we designate as mandatory. We may also designate some items as optional. We may change the mandatory and optional items and other products and services in our sole discretion. We may require that you offer certain brands and prohibit you from offering other brands. You may offer products only in the varieties, sizes and forms that we have designated. You may not use the Franchised Location for the sale or display of items not authorized by us. Within 15 days after we provide written notice to you, you must begin offering any newly authorized items and cease offering any item that is no longer authorized; however, if the discontinued item could pose a hazard to the public or prove detrimental to the system, you must cease offering or using that item immediately.

All items authorized for sale at Gasket Guy Offices must be offered under the name that we specify. If you have a suggestion for a new item, or for a change to an authorized item or product line, or you wish to participate in a test market program, you must notify us before you implement any such change or commence any such program. You may not add or modify any item or participate in a test market program without first obtaining our prior written approval.

Approved Suppliers

You must purchase specified products and procure all equipment, inventory, signage, required for the operation of your Gasket Guy Office solely from us or suppliers (including distributors, manufacturers and other sources) who have been approved in writing by us, as listed in the Manual. We maintain written lists of approved items of equipment, fixtures, inventory and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items.

We update our lists from time-to-time and issue the updated lists to all franchise owners. We will furnish our standards and specifications, as well as our criteria for supplier approval, to franchise owners on request, but only on a confidential basis. All such approved suppliers and approved vendors will be listed in the Manual, which must always be followed, even as modified by us from time-to-time.

If you desire to purchase any items from an unapproved supplier, you or the supplier must submit to us a written request for written approval. We will consider all relevant factors in such approval requests, including the quality of goods and services, capacity of supplier, financial condition of the supplier, terms and other requirements consistent with supplier relationships. We do not have any specific written criteria. We may inspect the supplier's facilities and require that samples from the supplier be delivered or made available to us or our designee for testing.

You or the proposed supplier shall pay us in advance all our actual costs regarding inspecting the supplier, its facilities, financial condition and the items involved (See Item 6 concerning the supplier approval fee). We will normally notify the supplier and/or you of our decision within 30 days of a request. We may, from time-to-time, re-inspect the facilities, products and financial condition of any previously approved supplier at the expense of such supplier and may revoke our approval if the supplier fails to meet any of our standards and specifications at any time. See the Manual for details. Besides the franchising entity and its parent companies, none of our officers own any interest in our required and/or approved suppliers.

Computer System

Before the commencement of operation of your Gasket Guy Office, you must purchase the required computer hardware, software, Internet connections and service and other computer-related accessories, peripherals and equipment (the "Computer System"). You must obtain high-speed communications access for your Computer System, such as broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail address for your Office which will be provided by the Company. See Item 7 and the Manual for details.

In addition, you will need to purchase a 4-in-1 office printer that will allow you to copy, fax, print and scan and must be compatible with your computer and required software. You will also be required to purchase software to operate the Office, including Google G Suite, a VoIP phone number, QuickBooks Online, anti-virus software, and other programs that we may designate in the Manual.

The computer system will be used by you in the Office and outside the office in the following ways: general correspondence, email, financial reports, marketing programs, a bookkeeping and accounting system, etc. You must maintain your Computer System and keep it in good repair.

We may in the future establish different sales reporting systems, as we consider appropriate for the accurate and expeditious reporting of Gross Revenues and other financial information. In such event, you must fully cooperate with us in implementing any such system at each Office and at your expense, equip the Office with such sales recording devices as we may require.

Insurance Specifications

Before you open your Office and during the term of the Franchise Agreement, you must obtain in full force and effect the necessary insurance, which must include at least the types of insurance and the minimum policy limits specified in the Manual. Each insurance policy must be written by an insurance company that meets our designated rating by the latest edition of Best's Insurance Rating Service (or another rating service designated by us). This designated rating is listed in the Manual. The insurance policy or policies must be in effect when you take possession of the Franchised Location.

Currently, the minimum types and amounts of insurance coverage that you must obtain and maintain include:

1. Comprehensive general liability coverage ($1,000,00 per occurrence and $2,000,000 aggregate), instance including, but not limited to, product liability coverage ($2,000,000 aggregate) and personal and advertising injury coverage ($1,000,000);

2. Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism ($1,000,000), property damage – borrowed equipment coverage ($100,000 per occurrence and $100,000 aggregate), property damage – customers' goods coverage ($100,000 per occurrence and $100,000 aggregate), and off-premises property damage ($25,000 per occurrence and $25,000 aggregate), and voluntary property damage ($5,000 per occurrence and $25,000 aggregate);

3. Workers' Compensation and employer's liability insurance as prescribed by state law;

4. Hired and non-owned automobile coverage ($1,000,000 per occurrence); and

5. Such other insurance that may be required by the statutes or other laws of the state or any local governmental entity in which the Office is located and operated.

The insurance policy or policies must protect you, us and our respective past, present and future officers, directors, owners, employees, servants, representatives, consultants, attorneys and agents. We and our affiliated company must be named as an additional insured in the policy or policies (statutory policies excepted). Each policy must include a waiver of subrogation in our favor. We may require additional types of coverage or increase the minimum amount of coverage upon reasonable notice. Your obligation to obtain coverage is not limited in any way by insurance that we maintain. Upon our request or as specified in the Manual, you must provide us with certificates of insurance evidencing the required coverage and proof of payment. The evidence of insurance must include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days prior written notice to us. If you fail to obtain and maintain insurance coverage as required by the Franchise Agreement, we have the right, but not the obligation, to obtain the required insurance on your behalf and to charge you for the cost of the insurance, plus a reasonable fee for our services in procuring the insurance.

Required Purchases from Us or our Affiliates Prior to the Opening

You are required to make certain purchases directly from us or one of our affiliated companies.

Required Purchases from Us After the Opening

After you open your Gasket Guy Office, you may purchase additional products, supplies or equipment from any approved supplier or vendor. However, we reserve the right to require purchases from us and/or our affiliated company of equipment, inventory, products and supplies in the future. We will designate these requirements in the Manual.

Other than the foregoing, you are not required to make any purchases directly from us or one of our affiliated companies.

Required Purchases from Vendors other than the Company

You must purchase certain products from us; these products include refrigeration gaskets, hardware (handles, hinges, etc.), cutting boards, and Strip Curtains. We reserve the right to require you to purchase additional items from designated sources in the future. We designate these requirements in the Manual. We anticipate receiving vendor management fees or rebates from certain vendors.

As of the effective date of this Disclosure Document, we have not received any vendor management fees from vendors providing products and services to franchise owners. We will update this Franchise Disclosure Document following the close of our first fiscal year if additional information develops, in order to provide prospective franchise owners with information regarding any vendor management fees received by us during our first fiscal year.

Purchase Arrangements

We do not have an obligation to negotiate any purchase arrangements for the benefit of franchise owners. To the extent we attempt to negotiate purchase arrangements with suppliers for the benefit of franchise owners, we may engage such purchasing agents or representatives as we deem appropriate to assist us in these efforts.

We may from time-to-time attempt to negotiate purchase arrangements with suppliers of certain products, suppliers, and equipment for the benefit of franchise owners. We do currently negotiate prices for the benefit of all Offices with Queensboro for Gasket Guy branded clothing and clothing accessories. We anticipate doing so in the future as well.

We reserve the right to require you to purchase additional items from designated sources in the future. We designate these requirements in the Manual.

Rebates

As noted above, we reserve the right to receive rebates or other revenues from certain vendors or suppliers in the future.

Gross Revenues

During the fiscal year 2024, we did not receive any revenue from franchise owners with respect to the purchase of required goods and services.

Records

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to our requirements.

We are planning on requiring additional items to be purchased by you from certain manufacturers or suppliers in the future. We will notify you of such requirements by sending to you such changes by modifying the Manual or sending to you other written forms of communication.

Your purchases from designated suppliers, approved suppliers or in accordance with our specifications will represent approximately 90% of your initial and on-going operating purchases for the Office.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Material Benefits

We do not provide any material benefits to you if you buy from sources we approve.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement ("FA") and Area Development Agreement ("ADA")	Item in Disclosure Document
a. Site selection and acquisition/lease	FA: § I, IX, Attachment A ADA: § 6.1	Item 11
b. Pre-opening purchases/leases	FA: § V, IX, Attachments C, D, E ADA: Not Applicable	Items 5, 7, 8
c. Site development and other pre-opening requirements	FA: § II, III, IX ADA: § 2.1, 2.2, 3.1, 6.1, 6.2	Items 7, 8, 11
d. Initial and on-going training	FA: § V ADA: Not Applicable	Item 11
e. Opening	FA: § IX ADA: § 2.1, 2.2	Item 11
f. Fees	FA: § VI ADA: § 5.1	Items 5, 6
g. Compliance with standards and policies/Operating Manual	FA: § IX ADA: Not Applicable	Items 11, 16
h. Trademarks and proprietary information	FA: § X, XI, XII, Attachments G, H ADA: Not Applicable	Items 13, 14
i. Restrictions on products/services offered	FA: § IX ADA: Not Applicable	Item 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: Not Applicable ADA: § 2.1, 2,2, 3.1	Not Applicable
l. On-going product/service Purchases	FA: § IX ADA: Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA: § IX ADA: Not Applicable	Not Applicable
n. Insurance	FA: § XIII ADA: Not Applicable	Items 7, 8
o. Advertising	FA: § VII ADA: Not Applicable	Items 6, 7 and 11
p. Indemnification	FA: § XXII ADA: § 12.2	Not Applicable
q. Owner's participation/ management/ and staffing	FA: § IX, XVI, Attachment G ADA: § 10.1	Item 15
r. Records and reports	FA: § VIII ADA: § 10.1	Item 6
s. Inspections and audits	FA: § X ADA: Not Applicable	Item 6
t. Transfer	FA: § XVII ADA: § 7.1, 7.2, 7.3	Items 6, 17

Obligation	Section in Franchise Agreement ("FA") and Area Development Agreement ("ADA")	Item in Disclosure Document
u. Renewal	FA: § II ADA: Not Applicable	Items 6, 17
v. Post-termination obligations	FA: § XV ADA: § 9.3	Item 17
w. Non-competition covenants	FA: § XVI, Attachment I ADA: § 8.1	Item 17
x. Dispute resolution	FA: § XXI ADA: § 12.8, 12.14	Item 17
y. Other: Guaranty of Franchise Owner's Obligations	FA: § VIII, Attachment B ADA: Not Applicable	Item 15

Item 10
FINANCING

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

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

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

Pre-Opening Assistance

Prior to the opening of the Office, we are obligated under the Franchise Agreement to make available to you, or assist you in obtaining, the following:

A. Designate your Territory (Franchise Agreement ["FA"], § I.

B. Standards for location and guidance in the selection of an Office Location (FA, § IV).

C. Layout and design of the Office, if not operating from your residence (FA, § VII).

D. Identify the inventory, equipment, materials and supplies necessary for the Office to begin operations, including the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including the Company and our affiliated companies). We will also ship to you the initial inventory and items that you purchase from us or our affiliates. We do not provide any assistance with installation. (FA, § XI).

E. Initial training of you and additional employees, at times and locations designated by us (FA, § VI).

F. Lists of approved items of equipment, fixtures and inventory and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items (FA, § XI).

G. The use of Gasket Guy Confidential Operations Manual and other manuals and training aids designated by us for use in the System, as they may be revised by us from time-to-time (FA, § VII).

H. Advice and guidance in preparing to open the Office, including standards and procedures for obtaining inventory and supplies, providing approved services, advertising and promoting the business, and operating the business (FA, § XI).

Post-Opening Assistance

After the opening of the Office, we are obligated under the Agreement to make available to you, or assist you in obtaining the following:

A. On-site assistance for a period after the opening of the Office (FA, §VI).

B. Access to continuing courses of training, at times and locations designated by us (FA, § VI).

C. Inspections of the Office, as we deem advisable (FA, § XII).

D. Updated lists of approved items of equipment, inventory and supplies (by brand name and/or by standards and specifications) and updated lists of approved suppliers for those items (FA, § VII).

Marketing Programs and Specifications

We are not obligated to make marketing expenditures in your Territory. You must obtain our approval before you use any advertising and promotional materials, signs, forms and stationery unless we have prepared or approved them during the 12 months prior to their proposed use. You must purchase certain advertising and promotional materials, brochures, fliers, forms, business cards and letterhead from approved vendors only. Further, you must not engage in any marketing of your Office unless we have previously approved the medium, content and method. You must not advertise or list your Gasket Guy Office in any classified telephone directories (i.e. "Yellow Pages") without our prior written permission.

We will provide you suggested retail prices for the products and services offered at Gasket Guy Offices and, to the extent permitted by applicable law, we may require that you adhere to our suggested prices, including maximum prices.

Marketing Plan

You must submit to us at least 30 days prior to its implementation a local advertising and marketing plan each fiscal year by which you intend to market your Office during the next 12-month period.

Brand Fund and Marketing

Initial Marketing Campaign. You must conduct initial marketing for the Franchised Office in accordance with an Initial Marketing Campaign plan that you have prepared for the period of one month prior to opening and continuing through the first 60 days after opening. You are required to spend at least $1,000 towards your Initial Marketing Campaign. Guidelines for initial marketing activities will be included in the Manual. Within 10 days after the end of the period in which you conduct this initial marketing, you must submit appropriate documentation to verify compliance with this obligation. If so requested by us, you shall participate in a joint initial marketing campaign with other franchise owners in the same marketing area, who are opening their Gasket Guy location at about the same time as you.

Marketing Obligations

You must make monthly payments to various vendors to be used for marketing purposes in the amount set forth in the Franchise Agreement. You will pay that portion of the marketing obligation as we direct to the Brand Fund ("Brand Fund Contribution") as described below. The remainder of the marketing obligation must be spent by you for Local Marketing Purposes.

Brand Fund. We do not currently have a Brand Marketing Fund ("Brand Fund"); however, we reserve the right to establish a Brand Fund in the future upon 30-days' notice to you. If established, you must send to us a monthly payment of 1% of your Office's Gross Revenues as your Brand Fund Contribution on or before the 15th day of the following month. We may use the Brand Fund Contributions and any earnings of the Brand Fund for any costs associated with advertising, marketing, public relations, promotional programs and materials (which may be national, regional or local in scope), and/or any other activities that we believe would benefit the System, including the following: social media such as Facebook, Twitter and others; advertising campaigns in various media; point-of-purchase materials; review of locally-produced ads; free standing inserts or brochures; purchasing and/or developing promotional materials; market research, including Mystery Shoppers; sponsorships; design and maintenance of a website; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; accounting costs; and holding an annual franchise convention. If established, we will not use the Brand Fund for any activity whose sole purpose is the marketing of franchises; however, you acknowledge that Gasket Guy website, public relations activities, community involvement activities, and other activities that may be supported by the Brand Fund may contain information about franchising opportunities. We will have the right to direct all programs supported by the Brand Fund, with final discretion over creative concepts, the materials and media used in the programs, and their placement. We will develop, and may work with an advertising agency to develop, advertising for print, radio, and television. We are not required to spend any designated amount of the Brand Fund in your territory and therefore do not guarantee that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund.

We will not use any contributions to the Brand Fund to defray any of our general operating expenses, except for reasonable administrative costs and overhead that we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including salaries of our personnel who devote time to Brand Fund activities). We will separately account for the Brand Fund and segregate Brand Fund monies from our other monies. During the fiscal year 2024, we did not have any franchisees that contributed to the Brand Marketing Fund.

Any point-of-sale materials produced with Brand Fund monies will be made available to you at a reasonable cost, and the proceeds of such sales will be credited to the Brand Fund. We are not required to have an independent audit of the Brand Fund completed. We will make available an unaudited statement of contributions and expenditures for the Brand Fund no sooner than 90 days after the close of our fiscal year to franchise owners who make a written request for a copy. Because this is our initial franchise offering, we have no historical information on the operation of the Brand Fund. Beginning on the date that the first franchised Gasket Guy Office opens for business, Gasket Guy Offices owned by us or our affiliates will contribute to the Brand Fund on the same basis as comparable franchise owners. If we reduce the Brand Fund contribution for franchise owners, we will have the right to reduce by the same amount the required contribution for Gasket Guy Offices operated by us or our affiliates.

With respect to the Brand Fund, while we may spend in any fiscal year an amount greater or less than the aggregate contribution of Gasket Guy Offices to the applicable Fund, generally, we believe that we will spend all marketing payments during the taxable year in which the contribution and earnings are received. If we do not spend the marketing payments in one year, we will likely spend them in the following year.

We do not have any advertising cooperatives or an advertising council.

Web Page. You may not promote, offer, or sell any products or services relating to the Franchised Office through, or use any of the Proprietary Marks on the Internet, social networks or other future technological avenues without our prior written consent, which we may withhold for any reason. You may not establish an independent web site. If we authorize you to have and/or design a web page for the Franchised Office, your web page may only be accessed from our website, and we may prohibit links between your web page and any other website. Your web page constitutes advertising and promotion, and you must comply with the restrictions on marketing described above and any additional policies and standards we issue from time-to-time with respect to websites and web pages specifically. Any copyright in your web page will be deemed to be owned by us, and you agree to sign any documents that we reasonably deem necessary to affirm our ownership of the copyright. If necessary, you must ensure cooperation with us by any web site service provider or website hosting company with which you do business. You must have or obtain the lawful right to use any proprietary materials of others that appear on your web page. We periodically may provide to you content for your web page, including copy, news stories and photographs. We must consent to any changes to your web page.

Public and Media Relations. You may not issue any press or other media releases or other communications without our prior written consent. As a franchise owner of the System, you may only participate in internal and external communications activities that create goodwill, enhance our public image, and build Gasket Guy brand.

The Company's Confidential Operations Manual

Upon request, we will permit you to view the Manual before you purchase the Office. To protect the confidentiality of the Manual, we will require you to execute a Confidentiality Agreement prior to your viewing the contents of the Manual.

Approval of Gasket Guy Office

You can operate your Office from your residence or at a commercial office such as an Executive Office location. Your Office must be approved by us according to our minimum standards and specifications, within a specified site selection area under a lease agreement with a landlord, if appropriate. You must, prior to execution of the lease, submit the lease to us for our written approval. Our approval of the lease may be conditioned upon various factors relating to the market area in which your customers may be derived. Some of the factors we will analyze in approving such market area include the general location and neighborhood, population and demographics, distance to other franchises, competition in the market area, traffic counts and patterns, access to the proposed Location, sign ordinances, proximity to major roads and residential areas, parking facilities, costs of leasehold improvements and closeness to business districts. We will respond within 30 days, either accepting or rejecting (with reasons) the proposed Location. See the Manual for details relating to site selection criteria and procedures.

After the opening of your Franchised Business, you must stock and maintain all types of approved products and services in quantities sufficient to meet reasonably anticipated customer demands.

Area Developers will be granted a non-exclusive right to enter into our standard form of Franchise Agreement then being offered to prospective franchise owners for the development of Offices within a specific development area. We will approve the location of future Offices and the territories for those offices using our then-current standards for site selection. The procedure for site selection for Area Developers is similar to the procedure described above, except that our approval of your proposed location is evidenced by our execution of a Franchise Agreement and a Site Location Addendum. You must execute each Franchise Agreement and Site Location Addendum on or before 120 days prior to the scheduled opening of each Office (See Item 12 for further information regarding the development area).

Time to Opening

The typical length of time between signing the Agreement and the opening of your Office is estimated to be three to six months. Factors that will affect the length of time it takes you to open your Office include your ability to obtain a lease (if appropriate), financing, permits, compliance with local ordinances and restrictions and completion of required training.

You must open the Office within 180 days after signing the Franchise Agreement. If you do not open your Office within the time period noted above, then we can terminate the Agreement and keep the entire Initial Franchise Fee as liquidated damages, not as a penalty (See Item 5 for details).

Computer Requirements

Before the commencement of operation of your Gasket Guy Office, you must purchase the required computer hardware, software, Internet connections and service, and other computer-related accessories, peripherals and equipment (the "Computer System"). We estimate the Computer System costs will be $500 to $2,500. You must obtain high-speed communications access for your Computer System, such as broadband, DSL or other high-speed capacity. See Item 7 and the Manual for details.

You will also need a personal computer compatible with the software required to operate your Office. This PC should have a fast operating system in order to effectively operate your Office. In addition, you will need to purchase a 4- in-1 office printer that will allow you to copy, fax, print and scan and must be compatible with your computer and required software. As part of the Initial Franchise Fee, we will provide you with an iPad, VoIP phone number, QuickBooks Online and Google G Suite. You will also be required to purchase software to operate the Office, including antivirus software, and other programs that we may designate in the Manual.

The computer system will be used by you in the Office in the following ways: a personal computer (desktop or laptop) for general correspondence, email, financial reports, marketing programs, a bookkeeping and accounting system, etc. We will have independent access to information or data in your computer system. See the Manual for details.

You must provide all assistance we require to bring your Computer System online with our Headquarters' computer and maintain this connection as we require. We may retrieve from your Computer System all information that we consider necessary, desirable or appropriate. There are no contractual limitations on our right to access information.

You must maintain your Computer System and keep it in good repair. There is no contractual limit on our ability to require you to upgrade the Computer System, add components to the System and replace components of the System. Although we estimate your annual costs of maintenance and repair of your POS System to be approximately $250 through a Maintenance Contract with the computer vendor, there may be other factors that will affect your annual costs of maintenance and repair. Some of these factors may include your repair history, local costs of computer maintenance services in your Territory and technological advances which we cannot predict at this time.

We may in the future establish different sales reporting systems, as we consider appropriate for the accurate and expeditious reporting of Gross Revenues and other financial information. In such event, you must fully cooperate with us in implementing any such system at each Office and at your expense, equip the Office with such sales recording devices as we may require.

Training Program

Our initial franchise management training program is available to all franchise owners and up to one Assistant Manager, or other persons we agree upon prior to the start of training. Before opening for business, you must attend and complete the initial franchise management training program to our satisfaction.

We plan on being flexible in scheduling training to accommodate our personnel, you and your employees. There are currently no fixed (i.e. monthly or bi-monthly) training schedules. As of the date of this Disclosure Document, the following training program and subjects will be provided to all franchise owners and their employees at our Headquarters in Atlanta, Georgia and other locations the Company controls.

TRAINING PROGRAM

Gasket Guy Franchise Training
Phase One

Subject	Hours of Classroom Training	Hours of on-the-job Training	Location
Sales and Installation Training			
• Setting up Appointments	2	0	Atlanta, GA
• Product Education	2	0	
• Field Training	0	6	
• Creating Estimates	1	0	
• Setting up Your Business	1	0	
• Systems Training	2	0	
• Marketing	1	0	
• Human Resources	1	0	

Phase Two
(3-4 weeks after Phase One)

Subject	Hours of Classroom Training	Hours of on-the-job Training	Location
Installation Skills			
• Sales Skills	0	8	Your Location
• Locating an Installer	2	0	
• Marketing	4	0	
• Staffing	2	0	
• Cold Calls	0	8	

We require that each individual Franchise Owner attend the initial franchise management training program. We provide initial training at no additional charge for you and up to one additional person (See Item 6 regarding fees for additional training.). We may require any other principal(s) or employee(s) of the Office to attend and satisfactorily complete all initial training programs as we may require.

Training will be provided by Sean Dillon or Christopher Murray. Mr. Dillon has served as Managing Partner of its affiliated company, Gasket Guy, LLC, since 2012. Mr. Murray has 8 years' experience training franchises within the Gasket Guy franchise system.

We also may offer additional or refresher training courses from time-to-time. Some of these courses may be mandatory, and some may be optional. These courses may be conducted at our Headquarters in Atlanta, Georgia or at any other locations selected by us.

You and/or your employees will be responsible for all out-of-pocket expenses in connection with all training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. We reserve the right to charge per diem charges for training classes and materials in connection with such training courses. As of the date of this Disclosure Document, the daily per diem charge ranges from $300 to $600, depending upon our personnel involved in such training. We will notify you of any additional charges before you or your employees enroll in a course.

All classes are scheduled by advance written notice to all franchise owners. Our class cancellation policies will be included in the written notice of class schedules.

The instruction materials for our training programs may include computer-based training, handouts, the Manual, tests that we may require you to take and other information that we deem important.

We will be sending to you on a periodic basis Operations Representatives to continue training you and your staff and to help you operate your Office as profitably as possible.

It is your responsibility to insure that all subsequent managers and employees are trained in our systems and procedures and that our systems and procedures are utilized at your Office. We may audit your Office at any time to ensure compliance with our systems and procedures.

Item 12
<u>TERRITORY</u>

<u>Franchise Agreement</u>

The Franchise Agreement grants you the right to operate Gasket Guy Office only at the approved Location. You must lease or purchase a Location, subject to our approval.

You may not relocate the Office or establish additional outlets without our prior written approval. We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money owed to us and our affiliated company, the proposed location meets our site selection criteria and you comply with the lease requirements in the Franchise Agreement. We may, if we wish, inspect your proposed new location. You must pay to us our costs due to your relocation. If your Office is home-based, you must notify us if you move to a new residence; if you move to a new residence, it does not have to be within your Territory.

You will receive a Territory. The Territory will encompass an area containing a minimum of 1,500 Retail Food Service Customers Report ("RFSC"). The amount of RFSCs will also determine the Franchise Owner's Initial Franchise Fees. There are other considerations for selecting the proper Territory and these are listed in more detail in the Manual. You will not receive an exclusive territory. You may face competition from other franchise owners, from outlets that we own, or from other channels of distribution or competitive brands that we control.

As a protected territory, as long as you remain in compliance with your Agreement, we will not operate or grant franchises for an Office in your Territory. Our Offices are targeted to the general public in the designated area described in Attachment A of the Franchise Agreement. We may permit multiple franchise owners to establish Gasket Guy Offices within certain market areas based on our analysis of the population and demographic characteristics in such areas.

The franchise granted to you under the Franchise Agreement is limited to permitting the use of Gasket Guy System and Proprietary Marks in the operation of the Office only in the Territory and at the specific Location approved in advance by us. You must operate the Office only at this Location. The Franchise Agreement does not allow you to offer or sell products or services under the Proprietary Marks through any retail location (other than at your Gasket Guy Office) or through any other channel of distribution, including the Internet, catalog sales or telemarketing.

We and our affiliates reserve the right to (without compensation to you):

(1) Establish or license others to establish the Office or provide similar or competitive products or services under marks other than the Proprietary Marks within or outside the Territory and regardless of proximity to the Office;

(2) Sell pre-packaged products under the Proprietary Marks within or outside the Territory; however, if such sale is made within your Territory then we will pay you an amount equal to twenty-percent (20%) of the sale;

(3) Offer or sell any products or services under the Proprietary Marks or any other marks, through any other channel of distribution, such as mail order, catalogue, Internet, or direct mail, within or outside the Territory; however, if such sale is made within your Territory then we will pay you an amount equal to twenty-percent (20%) of the sale;

(4) Advertise and market the System anywhere at any time; and

(5) Establish, either directly or through any of its subsidiaries and affiliates, or by licensing others, the Office at any site we deem appropriate outside of the Territory, regardless of the proximity to the boundaries of the Territory. We make no representation or warranty that you will have any right to participate in such licenses.

We and our affiliates also reserve all other rights that are not granted to you under the Franchise Agreement.

Except as stated above, we are not required to pay you any compensation for soliciting or accepting orders from inside the Territory.

You may not solicit customers from outside your Territory without our prior written approval. If you accept solicited customers from outside your Territory and they are located in the Territory of another franchise owner, without our prior written permission, then we have the right to require you to send all of such Gross Revenues to the franchise owner who owns such Territory. In addition, this is a serious violation of your Franchise Agreement. You may accept business resulting from referrals or unsolicited inquiries from customers outside your Territory.

The Agreement does not provide you with any options, rights of first refusal or similar rights to acquire additional franchises within the Territory or areas contiguous to the Territory. In addition, neither the continuation of your Territory nor the Agreement itself is dependent upon your achieving any sales quotas, market penetrations or other contingencies. You maintain rights to your Territory even if the population increases.

The Company has not established other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or trademark, and currently does not have any plans to do so. However, our Predecessor's affiliate, Gasket Guy, LLC, previously sold licenses/ distributorships which granted the licensees/distributors the right to use the Gasket Guy trademark. As a franchisee, you will not be permitted to sell products or offer services within the area controlled by licensees/ distributors and those previously sold licenses/ distributors will not be permitted to sell products or offer services within the territory controlled by any franchisees.

Area Developers

Area Developers will be granted a development area within which to locate sites for each of their Offices. The development area is not an exclusive area; however, we will not grant rights to franchise owners or other area developers for that development area during the term of the Area Development Agreement so long as the Area Developer is in compliance with all of its agreements with us.

You will not receive an exclusive territory. You may face competition from other franchise owners, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The Offices to be developed may be located anywhere within the development area, provided that they do not fall within any Territory of another Gasket Guy franchise owner. We will approve the location of future Offices and the territories for those offices using our then-current standards for site selection. We may grant franchises for any number of Offices upon termination or expiration of the Area Development Agreement; however, the Area Developer has a limited right to develop additional Offices within the development area, but only if we determine, in our discretion, that further development within the development area is desirable and if we give you written notice of same prior to expiration of the Area Development Agreement.

If you have developed all Offices under your Area Development Agreement and we determine that the population of the development area can support additional Gasket Guy locations, we reserve the right to add additional locations and either offer them to you or any other third party.

If we determine that further development of the Development Area is desirable, then we shall have the right (but not the obligation) to notify the Area Developer in writing prior to expiration of the term of our determination to develop additional Offices in the Development Area and a plan for such development. Upon delivery of the notice by us, the Area Developer shall have a right to undertake the additional development which the Company shall have set forth in the Company Notice to Area Developer. If the notice is given to Area Developer and the right of additional development is not exercised, then such right of additional development shall automatically terminate and we, or any Area Developer of ours, may construct, equip, open, and operate additional Offices in the Development Area.

Under the Area Development Agreement, we reserve the right to offer or sell products or services under the Proprietary Marks or any other marks through other retail locations or concessionaire locations within or without the development area. We also reserve the right, within or without the development area to offer or sell any products or services under the Proprietary Marks or any other marks through other channels of distribution, such as mail order, catalogue or direct marketing. We may also establish, or license others to establish, Gasket Guy Offices outside of the development area, regardless of the proximity of the boundaries to the development area.

Item 13
<u>TRADEMARKS</u>

Under the Agreement, the Company grants you the right and license to use the Proprietary Marks and the System solely in connection with your Franchised Business. You may use only the mark "Gasket Guy" and design and such other Proprietary Marks as are designated in writing by the Company for your use. In addition, you may use them only in the manner authorized and permitted by the Company and you may not directly or indirectly contest the Company's ownership of or rights in the Proprietary Marks.

Our affiliate, Gasket Guy IP, LLC ("Gasket Guy IP"), owns the principal trademarks listed below and it intends to file all required affidavits and renewals. The trademark is registered with the United States Patent and Trademark Office on the Principal Register.

Trademark	Registration Number	Registration Date
GASKET GUY	5153946	March 7, 2017

Our right to use and license others to use the Proprietary Marks is exercised under a trademark license agreement (the "TM Agreement") with Gasket Guy IP dated May 23, 2022. Under the TM Agreement, we are granted the right to use and to permit others to use the Marks. The TM Agreement has a perpetual term. If we were ever to lose our right to the Marks, Gasket Guy IP is required under the TM Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements. Also, the franchise agreements will be assigned to Gasket Guy IP. Other than the TM Agreement, there are no agreements in effect which significantly limit our rights to use or license the Marks in any state in a manner material to Gasket Guy franchises.

There are no effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administrator, or any state or any court relating to the Proprietary Marks. There is no pending infringement, opposition or cancellation. There is no pending material litigation involving the Proprietary Marks.

There are no agreements currently in effect that significantly limit the Company's right to use or license the use of the Proprietary Marks in a manner material to the franchise. The logo is part of the Company's Proprietary Marks.

The Agreement does not contain any provisions under which the Company is required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Proprietary Marks. If litigation involving the Proprietary Marks is instituted or threatened against you, the Agreement requires you to notify the Company promptly and cooperate fully with the Company in defending or settling the litigation.

The Company has no actual knowledge of either superior prior rights or infringing uses that could materially affect a Franchise Owner's use of the Proprietary Marks in any state.

You must follow our rules when you use these Proprietary Marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs, or symbols, except for those which we license to you. You may not use the Company's registered name in connection with the sale of any unauthorized product or service, or in a manner that we have not authorized in writing. If we require the Proprietary Marks to be modified or continued, then you must bear your own costs in modifying or removing the marks from your franchised business.

Item 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents Rights

We own no rights in or to any patents that are material to the franchise.

Copyrights

We have not registered any copyrights with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Manual. Our materials that we have copyright ownership of are available for you to use as part of our franchise program.

Confidential Operations Manual

Under the Franchise Agreement, you must operate the Office in accordance with the standards, methods, policies and procedures specified in the Manual. You will be loaned a copy of the Pre-Opening Manual at the time of signing the Franchise Agreement. You will receive the Daily Operations Manual for the term of the Franchise Agreement when you have completed the initial training program to our satisfaction. You must operate your franchise strictly in accordance with the Manual, as it may be revised by us from time-to-time.

You must treat as confidential the Manual and any other materials created for or approved by us for the operation of your Office. You must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be returned in the event that you cease to be a franchise owner.

We may from time-to-time revise the contents of the Manual, and you must comply with each new or changed provision. You must ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copies maintained by us at our Headquarters will be controlling.

Confidential Information

You may never---during the Initial Term, any Renewal Term or after the Franchise Agreement expires or is terminated---reveal any of our Confidential Information to another person or use it for any other person or business. The Franchise Agreement requires you to maintain all Confidential Information of the Company as confidential, both during and after the term of the Agreement. "Confidential Information" includes all information, data, techniques and know-how designated or treated by us as confidential and includes the Manual. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us. Under the Agreement, you agree that all information, data, techniques and know-how developed or assembled by you or your employees or agents during the term of the Franchise Agreement and relating to the System will be deemed a part of the Confidential Information protected under the Franchise Agreement.

You must also promptly tell us when you learn about the unauthorized use of any Confidential Information. We are not obligated to take any action, but we will respond to your notification of unauthorized use as we deem appropriate.

In addition, at our request, you must obtain and deliver executed covenants of confidentiality and non-competition from any person who has or may have an ownership interest in the franchise owner, or who receives or has access to training and other confidential information under the System. The covenants must be in a form satisfactory to us and must provide that we are a third-party beneficiary of, and have the independent right to enforce the covenants.

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

In the event that you are not an individual, you must designate one person who owns not less than 25% of your equity interests as your "Operating Partner." The Operating Partner must have authority to bind you to obligations relating to the Franchise Agreement. You or your Operating Partner must personally participate in the direct operation of your Office, which means a minimum of 50 hours per week during the first two years of Office operations. After the first two years of Office operations, the Franchise Agreement requires that you or your Operating Partner be directly involved in the day-to-day operations of the Office. The Office must be under the direct on-premises supervision of a fully-trained Manager at all times when you or your Operating Partner is not personally managing and operating the Office. Your Manager is not required to have an equity interest in the franchised business.

You or your Operating Partner must complete the initial training program required by us. All new Operating Partners and Managers must be trained fully according to our standards by either you or the Company.

Any Manager you employ at the launching of your franchise operations must complete the initial management-training course required by us. All subsequent Managers must be trained fully according to our standards by either you or us. However, we may charge a fee for this additional training. See Item 6 and the Manual for details.

Each individual who holds an ownership interest in the franchise owner must personally guarantee all of the obligations of the franchise owner under the Franchise Agreement by signing a Guaranty of Franchise Owner's Undertakings (See Exhibit J). Additionally, each owner of an equity interest in a franchise owner must execute a Noncompetition Agreement in the form of Attachment I to the Franchise Agreement and a Confidentiality Agreement in the form of Attachment G to the Franchise Agreement. Further, all employees who we determine will have access to confidential information must sign a Confidentiality Agreement in the form of Attachment H to the Franchise Agreement.

Upon request, we will permit you to view the Manual at our Headquarters before you purchase the Office. To protect the confidentiality of the Manual, we will require you to execute a Confidential/Nondisclosure Agreement prior to your viewing the contents of the Manual.

You will also be required to sign a Franchise Disclosure Questionnaire prior to the closing of your purchase of our Office (See Exhibit K to this Disclosure Document).

At our request, you must obtain and deliver executed covenants of confidentiality and non-competition from any person who has or may have an ownership interest in the franchise owner, or who receives or has access to training and other confidential information under the System. The covenants must be in a form satisfactory to us and must provide that we are a third party beneficiary of, and have the independent right to enforce the covenants.

Each owner of an equity interest in an Area Developer must execute the Area Development Agreement and jointly and severally guarantee your obligations to us under the Area Development Agreement. The form of the Guaranty of Area Franchisee's Undertakings to be signed by each owner of an equity interest is attached as Exhibit D to the Area Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Office in strict conformity with all prescribed methods, procedures, policies, standards and specifications of the System, as listed in the Manual and in other writings by us from time-to-time. You must use your Office only for the operation of the Company's System and may not operate any other business at or from such locations without the express prior written consent of the Company.

We require you to offer and sell only those goods and services that we have approved. We maintain a written list of approved goods and services in our Manual, which we may change from time-to-time (see Item 11 in this Disclosure Document).

You must offer all goods and services that we designate as required for all franchises. In addition, we may require you to comply with other requirements (such as state or local licenses, training, marketing, insurance) before we will allow you to offer certain optional services.

We reserve the right to designate additional required or optional services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements.

We also reserve the right to set minimum, maximum, or specific pricing requirements, subject to applicable state law.

See Items 8, 9, 11 and 12 for more information about your obligations and restrictions.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	§ II (A)	10 years
b. Renewal or extension of the term	§ II (B)	Additional successive terms of 5 years each

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	§ II (B)	Complied with FA, renovated premises if needed, paid all monies to Company, execute then-current FA, met current qualifications, paid renewal fee of 10% of then-current Initial Franchise Fee, signed an extended Lease Agreement, signed Release Agreement (subject to state law), completed any additional training that we require. The new agreement that you must sign at renewal may contain terms and conditions that are materially different than the original contract.
d. Termination by franchisee	§ XIV (A)	We haven't cured breach within 30 days after notice, or by any grounds permitted by state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ XIV (B)	We can only terminate if you are in default.
g. "Cause" defined – curable defaults	§ XIV (B)	If you breach any provision of the Franchise Agreement, then we will notify you in writing of such breach, specifying its nature and giving you 30 days to remedy the breach. If you fail to remedy such breach during the 30 days, then we may terminate your Franchise Agreement effective immediately upon written notice of termination.
h. "Cause" defined – non-curable defaults	§ XIV (C) and (D)	Includes abandons control of Franchised Business, consistently fails to pay monies when due, violates laws, material misrepresentation on initial application, attempted assignment without permission, discloses Manual without permission, repeatedly fails to comply with Manual, breaches FA or does something adverse to Proprietary Marks, failure to comply with FA or any other Agreement between you and us or you are convicted of a felony. The FA provides for termination upon bankruptcy. Termination of the Area Development Agreement does give us the right to terminate an existing FA.
i. Franchisee's obligations on termination/non-renewal	§ XV	Includes payment of money owed to us, return Manual, cancellation of assumed names and transfer of phone numbers, cease using Proprietary Marks, cease operating Franchised Business, no confusion with Proprietary Marks, our option to purchase your inventory and equipment, your modification of the premises and our option to purchase your Franchised Business.
j. Assignment of contract by franchisor	§ XIX	No restriction on right to transfer.
k. "Transfer" by franchisee – defined	§ XVII (B)	Includes assignment of FA, sale or merger of business entities, transfer of corporate stock, and death of Franchise Owner or majority Owner of Franchise Owner.
l. Franchisor's approval of transfer by franchisee	§ XVII (B)	We have the right to approve all transfers.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor's approval of transfer	§ XVII (B)	Factors include proposed Franchise Owner must meet current standards, does not operate a similar business and signs current form of FA, and you pay to us a transfer fee of 20% of then-current Initial Franchise Fee.
n. Franchisor's right of first refusal to acquire franchisee's business	§ XVII (C)	We have the option to match any offer for your Franchised Business.
o. Franchisor's option to purchase franchisee's business	§ XV (G)	We have the option to purchase your Franchised Business upon termination or non-renewal.
p. Death or disability of franchisee	§ XVII (D)	Franchise must be assigned by estate to approved buyer within three months.
q. Non-competition covenants during the term of the franchise	§ XVI (C), Attachment I	You cannot be involved in a competitive business during the term of the Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§ XVI (C), Attachment I	No involvement in competing business for two years within a 20-mile radius of the Location, the Franchised Territory or any other franchisee, company-owned, or affiliate-owned location.
s. Modification of the agreement	§ XXI (I)	Must be in writing by both sides.
t. Integration/ merger clause	§ XXI (L)	Only the terms of the FA are binding (subject to state law). Any other promises are unenforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Disputes resolution by arbitration or mediation	§ XXI	Except for certain claims, all controversies, disputes or claims between us must be submitted for arbitration.
v. Choice of forum	§ XXI (J)	Subject to state law, any mediation, arbitration or litigation must be held and conducted in Fulton County, Georgia
w. Choice of law	§ XXI (E)	Subject to state law, Georgia law applies

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	ADA § 4.1	ADA term ends when development obligation is satisfied
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Any grounds applicable by state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	ADA § 9.1	We can only terminate if you are in default. Termination of the Area Development Agreement will not result in termination of any Franchise Agreements executed prior to the termination.
g. "Cause" defined – curable defaults	Not Applicable	Not Applicable

Provision	Section in Area Development Agreement	Summary
h. "Cause" defined – non-curable defaults	§ 9.1, 9.2	Failure to comply with development obligation, failure to perform any obligation under ADA, failure to obtain consent to transfer, bankruptcy, assignment for benefit of creditors, appointment of a receiver, conviction or pleading nolo contendere to a felony or crime of moral turpitude. We can also terminate the ADA if you materially breach of a Franchise Agreement or any other agreement between us and you.
i. Franchisee's obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by franchisor	§ 7.1	No restriction on right to transfer.
k. "Transfer" by franchisee – defined	§ 7.2, 7.3	Includes assignment of ADA, sale or merger of business entities, transfer of corporate stock, and death of Owner.
l. Franchisor's approval of transfer by franchisee	§ 7.2, 7.3	We have the right to approve all transfers.
m. Conditions for franchisor's approval of transfer	§ 7.2, 7.3	Meet qualifications, sign assignment and assumption agreement with respect to ADA and all Franchise Agreements, pay all amounts owed to us, sign general release, no default by Area Developer, no default by assignee, pay transfer fee of $5,000, equity interest owners sign guaranties.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	§ 8.1	You cannot be involved in a competitive business during the term of the Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	§ 12.9	Must be in writing by both sides.
t. Integration/ merger clause	§ 12.9	Only the terms of the ADA are binding (subject to state law). Any other promises are unenforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Disputes resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	C 11.1	Subject to state law, any court of competent jurisdiction in Fulton County, Georgia
w. Choice of law	§ 12.8	Subject to state law, Georgia law applies

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of Company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Manager, Mr. Sean D. Dillon, Gasket Guy Franchise Company, LLC, 3001 McCall Dr., Atlanta, GA 30340, the Federal Trade Commission, and appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide 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	9	18	+9
	2023	18	25	+7
	2024	25	31	+6
Company-Owned or Affiliated Company Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	**2022**	**10**	**19**	**+9**
	2023	**19**	**26**	**+7**
	2024	**26**	**32**	**+6**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
for Years 2022 to 2024

State	Year	Number of Transfers
Connecticut	2022	0
	2023	1
	2024	0
Florida	2022	0
	2023	1
	2024	0
Iowa	2022	1
	2023	0
	2024	0
Total	**2022**	**1**
	2023	**2**
	2024	**0**

Table No. 3
Status of Franchised Outlets
for Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Cease Operations --- Other Reasons	Outlets at End of the Year
Alabama	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arkansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Illinois	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Cease Operations --- Other Reasons	Outlets at End of the Year
Kentucky	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nevada	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	0
Tennessee	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Utah	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Total	**2022**	**9**	**9**	**0**	**0**	**0**	**0**	**18**
	2023	**18**	**7**	**0**	**0**	**0**	**0**	**25**
	2024	**25**	**6**	**0**	**0**	**0**	**0**	**31**

Table No. 4
Status of Company-Owned or Affiliate-Owned Outlets
for Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-acquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Tennessee	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	**2022**	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arkansas	0	1	0
Louisiana	1	1	0
Montana	0	1	0
Tennessee	0	1	0
Total	**1**	**4**	**0**

Exhibit F-1 lists the names of all current franchise owners and the addresses and telephone numbers of their Offices as of the date of this Disclosure Document. Exhibit F-2 lists the names of all current licensees that were parties to contracts with GG LLC (as discussed in Item 1) and use the Gasket Guy trademark, for which we are not the franchisor or a party to those contracts and therefore are not included in the above charts.

Exhibit G lists the name, city and state and the current business telephone number (or, if unknown, the last known home telephone number) of every franchise owner who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. Please note that Exhibit G states the Company does not have any Franchise Owners that meet those criteria. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No independent franchisee associations have asked to be included within this disclosure document.

During the past three years, in some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Gasket Guy. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We have not authorized any trademark-specific associations.

Item 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit C contains our audited financial statement for the fiscal year ended December 31, 2022, December 31, 2023 and December 31, 2024. Our fiscal year end is December 31.

Item 22
CONTRACTS

Attached are copies of the following agreements relating to the offer of the franchise:

EXHIBIT A – STANDARD FRANCHISE AGREEMENT

ATTACHMENTS TO FRANCHISE AGREEMENT:

A Site Location Addendum
B Guaranty of Franchise Owner's Undertakings
C Authorization Agreement for Direct Debits (ACH Debits)
D Confidentiality Agreement (Equity Interest Owner)
E Confidentiality Agreement (Employees)
F Noncompetition Agreement (Equity Interest Owner)
G Form of General Release

EXHIBIT B – AREA DEVELOPMENT AGREEMENT
EXHIBIT D – STATE ADDENDA TO DISCLOSURE DOCUMENT AND AGREEMENTS
EXHIBIT K - FRANCHISE DISCLOSURE QUESTIONNAIRE (p. 192)

Item 23
RECEIPTS

Two copies of an acknowledgement of your receipt of this Disclosure Document appear at the end of this Disclosure Document as Exhibit M. It is a detachable document and one copy must be signed by you and given to us. The other copy may be retained by you for your records. If this page or any other pages or exhibits are missing from your copy, please contact the Company at the address or phone number noted in Item 1.

EXHIBIT A

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

FOR

GASKET GUY FRANCHISE COMPANY, LLC

TABLE OF CONTENTS

SECTION **PAGE**

GASKET GUY FRANCHISE COMPANY, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") made and entered into as of the date set forth below, by and between Gasket Guy Franchise Company, LLC (hereinafter referred to as "Gasket Guy Franchise Company, LLC," the "Franchisor" or the "Company"), a Delaware limited liability company, with its principal place of business located at 3001 McCall Dr., Atlanta, GA 30340 and____ (the "Franchise Owner").

The date of this Agreement is: _________________________.

WHEREAS, Franchisor is engaged in the business of licensing the operation by others of a business known as "Gasket Guy" (the "Office," the "Franchised Business," the "Franchised Facility" or the "Franchised Location"); and

WHEREAS, Franchisor has originated, developed and perfected a unique and successful system for the establishment and operation of the Office, which system includes, but is not limited to, site selection, a unique and readily recognizable design, color scheme, decor, layout and signage for the Office premises, equipment selection and installation, accounting and bookkeeping methods, merchandising, advertising and promotional techniques, personnel training and a confidential manual (the "Manual") of operating procedures containing specially conceived and designed methods for the Office operations (the "System"); and

WHEREAS, all the Offices are operated in connection with and through the use of various trade names, trademarks and service marks consisting of or containing the words "Gasket Guy" and through the use of certain related logos, symbols, words and insignias (the "Proprietary Marks"); and

WHEREAS, Franchisor has made a substantial investment in developing and perfecting the System, and in advertising, promoting and publicizing the Proprietary Marks, of which are recognized as representing the highest standards of quality, cleanliness, appearance and service; and

WHEREAS, Franchise Owner desires to establish and operate a business at the location hereinafter designated, to use in connection therewith the Franchisor's System and the Proprietary Marks and to derive the benefits of Franchisor's information, experience, advice, guidance and customer goodwill; and

WHEREAS, Franchise Owner recognizes the importance to Franchisor, to its other franchise owners and to the public of maintaining the integrity, standards, qualities and attributes of products and services associated with the Proprietary Marks and is willing to adhere to certain uniform standards, procedures and policies to maintain such integrity, standards, qualities and attributes;

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. GRANT OF FRANCHISE

A. Grant

Franchisor hereby grants to Franchise Owner and Franchise Owner hereby accepts, a Franchise under the terms and conditions as set forth herein for the right to operate a business at a location to be agreed upon between Franchisor and Franchise Owner within a Protected Territory described in Attachment A (the "Protected Territory"). Once agreed upon, the address of the location shall be set forth on Attachment A. Franchisor also hereby grants and the Franchise Owner hereby accepts a non-exclusive and personal license to use the Franchisor's Proprietary Marks, its advertising and merchandising methods, and the Franchisor's System provided the Franchise Owner shall adhere to the terms and conditions hereof.

B. Protected Territory

Franchisor hereby agrees that during the term of the Agreement, provided that the Franchise Owner is in full compliance with the Agreement, Franchisor will not grant a franchise to others to operate an Office within the Protected Territory of the Franchise Owner or operate a business utilizing the System at a location within the Protected Territory of the Franchise Owner.

Notwithstanding the foregoing, Franchisor reserves the right to:

(1) Establish or license others to establish the Office or provide similar or competitive products or services under marks other than the Proprietary Marks within or outside the Protected Territory and regardless of proximity to the Office;

(2) Sell pre-packaged products under the Proprietary Marks within or outside the Protected Territory; however, if such sale is made within your Protected Territory then Franchisor will pay to Franchise Owner an amount equal to twenty-percent (20%) of the sale

(3) Offer or sell any products or services under the Proprietary Marks or any other marks, through any other channel of distribution, such as mail order, catalogue or direct mail, within or outside the Protected Territory; however, if such sale is made within your Protected Territory then Franchisor will pay to Franchise Owner an amount equal to twenty-percent (20%) of the sale;

(4) Advertise and market the System anywhere at any time; and

(5) Establish, either directly or through any of its subsidiaries and affiliates (collectively, "Franchisor's Affiliates"), or by licensing others, the Office at any site Franchisor deems appropriate outside of the Protected Territory, regardless of the proximity to the boundaries of the Protected Territory. Franchisor makes no representation or warranty that Franchise Owner will have any right to participate in such licenses.

II. TERM AND RENEWAL

A. Term

This Agreement shall be effective and binding for an initial term equal to ten (10) years from the date of this Agreement, unless terminated earlier pursuant to the provisions hereof.

B. Renewal

Franchise Owner shall have the right to renew this Franchise at the expiration of the initial term of the Franchise for additional successive terms of five (5) years, provided that all of the following conditions have been fulfilled:

1. Franchise Owner has given Franchisor written notice of Franchise Owner's election to renew the term of this Agreement no later than ninety (90) days prior to the end of the then-current term;

2. Franchise Owner has, during the entire term of this Agreement, substantially complied with all its provisions;

3. Franchise Owner maintains possession of the Office and by the expiration date of this Agreement has brought the Office into full compliance with the specifications and standards then applicable for the Office and presents evidence satisfactory to Franchisor that it has the right to remain in possession of the Office for the duration of any renewal term;

4. Franchise Owner has satisfied all monetary obligations owed by Franchise Owner to Franchisor and all of Franchisor's Affiliates and has timely met such obligations throughout the term of this Agreement;

5. Franchise Owner has executed Franchisor's then-current form of franchise agreement (with appropriate modifications to reflect the fact that the said agreement relates to the grant of a renewal franchise), which agreement shall supersede in all respects this Agreement, the terms of which may differ from the terms of this Agreement, including, without limitation, a higher continuing Royalty Fee and/or local advertising expenditure and additional fees; provided, however, Franchise Owner shall not be required to pay the then-current initial franchise fee, but shall pay a renewal fee of ten percent (10%) of the then-current initial franchise fee charged by Franchisor upon signing the new franchise agreement;

6. Each owner of an Equity Interest (as hereinafter defined) in Franchise Owner (and if such owner is not a natural person, then the natural person(s) owning, directly or indirectly, an Equity Interest in such owner) has, individually, guaranteed the performance of all obligations of Franchise Owner by executing and delivering the then-current form of guaranty prescribed by Franchisor. For purposes of this Agreement, “Equity Interest” shall mean any stock, partnership, membership, unit or other ownership interest in Franchise Owner or any subsidiary or affiliate of Franchise Owner;

7. Franchise Owner has complied with Franchisor's then-current qualification and training requirements; and

8. Franchise Owner has executed a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and Franchisor's Affiliates and their respective directors, agents and employees.

III. COMMENCEMENT OF OPERATIONS

Franchise Owner agrees to open and commence operation of the Office as soon as practicable after construction and/or remodeling of the Office. At Franchisor's option, this Agreement may be terminated for voluntary abandonment of the Franchise in the event Franchise Owner fails, within one hundred eighty (180) days after the date of this Agreement, to completely construct and/or remodel, equip, furnish and open to the public the Office that is approved by Franchisor in accordance with this Agreement. In the event Franchise Owner does not commence operating the Office within the time period set forth herein, such failure shall be deemed a breach of this Agreement pursuant to which Franchisor shall have the right to terminate this Agreement and retain the Initial Franchise Fee as liquidated damages, not as a penalty. Where Franchise Owner has exhibited due diligence in complying with this Section III, Franchisor may, at its option and in its sole discretion, consent in writing to an extension of the period of time specified herein.

IV. EQUIPMENT, FIXTURES AND FURNITURE

A. Use of Proper Equipment, Fixtures and Furniture

The Franchisor may provide Franchise Owner with specifications for brands and types of any equipment, fixtures, displays, exterior and interior signs and decorating accessories required for the Office, at Franchise Owner's expense. Specifications may include minimum standards for design, appearance and local zoning, sign and other restrictions. Franchise Owner may purchase or lease original and replacement equipment, fixtures, furniture, sign and decorating materials and services meeting such specifications from any source, as approved by the Franchisor. If Franchise Owner proposes to purchase or lease any item of equipment or any fixture, sign or decorating materials not theretofore approved by the Franchisor as meeting its specifications, as set forth in the Manual, Franchise Owner shall first notify the Franchisor in writing. The Franchisor may require submission of sufficient specifications, photographs, drawings and/or other information and samples to determine whether such item of equipment, fixture, sign or decorating material meets its specifications. The Franchisor shall advise Franchise Owner within 30 days of a request whether such item of equipment, fixture, furniture, sign or decorating material meets its specifications.

B. Specification Standards For Equipment

Franchise Owner shall comply with all specifications for types of equipment used in the Office as provided in this Agreement or in the Manual.

C. Computer System

This Agreement and the Manual require the submission by Franchise Owner of certain financial, operational, and statistical information to Franchisor for the purpose, among other things, of assisting Franchise Owner in the operation of the Office in accordance with the System and to allow Franchisor to monitor the Gross Revenues of Franchise Owner. To achieve these results, cash collection and data processing systems are necessary. Franchise Owner agrees to purchase and use a point-of-sale cash collection and data processing system, and an internet-based point of sale reporting and communication service (collectively, the ("Computer System") from a vendor approved by Franchisor, and only the specified software authorized in writing by Franchisor or as may be set forth in the Manual. In addition, Franchise Owner shall pay for and obtain an on-going maintenance service for the Computer System from an approved vendor. The Computer System will include, without limitation, PC-based cash register, terminal(s), printer(s) and related software and data routing equipment. As part of the Initial Franchise Fee, Franchisor will provide Franchisee with an iPad, VoIP phone number, QuickBooks Online and Google G Suit. Franchisor shall have unlimited access to the information and data generated by the Computer System in order to compile sales data, consumer trends, labor costs, and other such financial and marketing information as it may deem appropriate. Franchisor shall have the right to distribute such information and data on a confidential basis to any or all franchise owners in the System and to any approved or prospective vendor, supplier, distributor or manufacturer of Franchisor. Franchise Owner shall utilize and, notwithstanding any other provision of this Agreement, pay for all future updates, supplements and modifications to the Computer System, from time-to-time, including, without limitation, hardware, software and/or the entire Computer System.

V. TRAINING AND ASSISTANCE BY FRANCHISOR

A. Pre-Opening Training

1. The Franchisor will provide a pre-opening training program concerning the operation of the Office consisting of a two-day overview of the Franchise Program at the Franchisor's Headquarters; additional training may be available upon request at a location chosen by the Franchisor (or other location suitable for classroom training) or an existing System Office. Franchise Owner (or if Franchise Owner is a legal entity, the "Operating Partner" of the Franchise Owner) shall attend such training program at no charge to the Franchise Owner. The Franchisor may charge a per diem in the amount of $300 to $600 per day in the event that the Franchise Owner sends additional employees to the initial training program. Franchise Owner shall be responsible for all travel, lodging, meals or other costs for itself and other attendee(s) which it sends to the initial training program. Franchise Owner or Franchise Owner's Operating Partner, as the case may be, and Franchise Owner's manager, must attend all training sessions. Satisfactory completion of all mandatory training sessions is required by all attendees. Failure to do so shall constitute a breach of this Agreement.

For purposes of this Agreement, “Operating Partner” shall mean a natural person, approved by Franchisor, who owns at all times not less than twenty-five percent (25%) of an Equity Interest in Franchise Owner.

2. The Franchisor may conduct additional seminars or other training programs for the benefit of the Franchise Owner, and Franchise Owner (and/or Franchise Owner's employees) may attend any such seminar or program. The Franchisor may charge a per diem in the amount of $300 to $600 per day for such seminar or program if it is deemed appropriate. All travel, lodging, meals and other expenses incurred by anyone attending training on behalf of the Franchise Owner shall be paid by Franchise Owner.

3. Franchise Owner may make reasonable requests for additional training, in addition to that specified above, and the Franchisor may, in its discretion, provide such training at Franchise Owner's expense, including, without limitation, any travel, lodging and meals and other related costs. The Franchisor may charge a per diem in the amount of $300 to $600 per day for such additional training, if it is deemed appropriate.

4. Franchise Owner shall complete and shall cause its Operating Partner and its manager and other employees to complete, to the Franchisor's satisfaction, all such additional training as the Franchisor may reasonably require from time-to- time.

B. <u>Opening Assistance</u>

Beginning approximately five (5) calendar days prior to the opening of the Office and continuing for a period up to seven (7) business days thereafter, Franchisor will furnish to Franchise Owner, at the Office and at Franchisor's expense, one of Franchisor's representatives for the purposes of facilitating the opening of the Office. During this period, such representative will also assist Franchise Owner in establishing and standardizing procedures and techniques essential to the operation of the Office. Should Franchise Owner request additional assistance from Franchisor in order to facilitate the opening of the Office, and should Franchisor deem it necessary and appropriate, Franchise Owner shall reimburse Franchisor for the expenses of Franchisor's additional personnel and out-of-pocket expenses.

C. <u>Non-Completion of Training by Franchise Owner</u>

If Franchisor determines in its sole discretion that Franchise Owner is unable to satisfactorily complete the training program described above, Franchisor shall have the right to terminate this Agreement in the manner herein provided. If this Agreement is terminated pursuant to this paragraph, then Franchisor may keep the Initial Franchise Fee paid by Franchise Owner to Franchisor as liquidated damages, not as a penalty.

D. <u>Additional Training Requirements</u>

Franchisor from time-to-time may require that the Franchise Owner and/or Franchise Owner's Operating Partner, managers and other employees attend and successfully complete refresher training programs or seminars to be conducted at Franchisor's headquarters or at such other locations mutually convenient to the parties hereto, and at Franchise Owner's expense. Franchisor reserves the right to charge per diem charges to cover the costs of instruction and training materials in connection with on-going training. As of the date of this Agreement, the daily per diem charge ranges from $300 to $600, depending upon our personnel involved in such training. Franchise Owner and its representatives shall be responsible for any other expenses incurred including meals, travel, lodging and wages.

VI. FEES AND PAYMENTS BY FRANCHISE OWNER

A. Initial Franchise Fee

By executing the Agreement, Franchise Owner agrees to become a Franchise Owner and to pay an Initial Franchise Fee of __________________ at the time of signing the Franchise Agreement. The Initial Franchise Fee will be determined by the Retail Food Service Customers Report (RFSC) in a given geographic area. This will be based on data compiled by the Environmental Systems Research Institute, Inc. (ESRI) and InfoUSA. The determination of RFCA's is only for the purposes of determining the Initial Franchise Fee and is not a representation as to the potential number of customers in the Territory, either at the commencement of, or during the course of, the term of the Franchise Agreement, including any renewal terms.

The Initial Franchise Fee is paid by Franchise Owner to the Franchisor by tendering a certified or cashiers check at the time of the signing of the Franchise Agreement for the amount of the Initial Franchise Fee described herein. The Initial Franchise Fee is fully earned by the Franchisor at the time of payment by Franchise Owner.

If Franchise Owner is not in default of this Agreement or any other agreement between Franchise Owner and Franchisor (or Franchisor's affiliates), Franchise Owner has the right to terminate this Agreement and receive a refund of fifty percent (50%) of the Initial Franchise Fee, but Franchise Owner may only receive this refund if Franchise Owner terminates the Agreement no less than six (6) months after the Office is open, and no more than twelve (12) months after the Office is opened. If Franchise Owner exercises this right, Franchisor reserves the right to pay to Franchise Owner the refund within thirty-six (36) months upon written notice to Franchise owner. Otherwise, the Initial Franchise Fee is non-refundable.

The Initial Franchise Fee which Franchisor shall be entitled to retain pursuant to any provision of this Agreement shall be deemed liquidated damages, and not a penalty, to reimburse Franchisor for its loss of opportunity to grant a Franchise within the Protected Territory during the period this Agreement was in effect, and for any additional costs and expenses Franchisor may have incurred in selling the Franchise for such Protected Territory and in performing its obligations pursuant to this Agreement.

B.	Payment of Royalty Fees

Franchise Owner agrees to pay to the Franchisor a royalty fee as follows:

a. For Month 1 through Month 6 after the date of this Agreement, in specific consideration of this Agreement and the rights granted in this Agreement and the agreements related to this Agreement, Franchisor will not require Franchise Owner to pay a royalty fee.

b. For Month 7 through Month 12 after the date of this Agreement, Franchise Owner will pay Franchisor a royalty fee of Seven Hundred Fifty Dollars ($750) per month.

c. Beginning with Month 13 and continuing through the term of this Agreement, Franchise Owner will pay Franchisor a royalty fee of six percent (6%) of Franchise Owner's Monthly Gross Revenues or One Thousand Two Hundred Dollars ($1,200) per month, whichever is greater.

The aforementioned monthly royalty fees shall be collectively referred to in this Agreement as "Royalty Fees." Franchise Owner shall submit to Franchisor a report which provides a summary of the Gross Revenues generated by the Office for each month commencing upon the opening of the Office and ending at the close of business on the last day of the month (each such report shall be referred to herein as a "Monthly Report"). Franchise Owner shall submit each Monthly Report electronically in the format required by Franchisor. Franchise Owner shall submit each Monthly Report by the 15th of the following month to which each Monthly Report pertains.

Franchise Owner hereby agrees to execute and deliver such instruments, agreements and other documents as may be necessary to enable Franchisor to present a monthly bank draft on Franchise Owner's bank account for Royalty Fees, including, without limitation, the Authorization Agreement for Direct Debits (ACH Debits) attached to this Agreement as Attachment F. Franchise Owner hereby covenants to maintain sufficient funds in its account for the drafts initiated by Franchisor for Royalty Fees to be honored. Franchisor shall present such monthly bank drafts for Royalty Fees on Franchise Owner's bank account no later than the 15th of each month.

Franchise Owner shall maintain a single bank account for its operating expenses, into which all its revenues are deposited, and all information regarding such accounts shall be made available to Franchisor during all times the account is active.

If a direct debit program is not available, Franchise Owner shall timely remit the Royalty Fees to the Franchisor via Franchise Owner-initiated wire transfers. Franchisor reserves the right to adopt other methods of payment as the Franchisor deems reasonable, including, without limitation, remitting of the Royalty Fees by U.S. Mail postmarked on the 15th of the following month. Except for the initial six-month period after the date of this Agreement as set forth in Section VI.B.a. of this Agreement (above), payment of the

Royalty Fees shall commence on the date of this Agreement and shall continue thereafter during the term of this Agreement.

C. Interest for Late Payments

All Royalty Fee payments, local marketing expenditures, National Brand Fund payments, amounts due for purchases by Franchise Owner from the Franchisor or Franchisor's Affiliates, and other amounts which Franchise Owner owes to the Franchisor or Franchisor's Affiliates, not received on or before the due date shall be deemed overdue. If any payment or contribution is overdue, Franchise Owner shall pay to the Franchisor immediately upon demand the overdue amount, a late fee of $100 per incident, plus interest on the overdue amount from the date it was due until paid, at the rate of one and one half percent (1½%) per month, or the maximum rate permitted by law, whichever is less. The foregoing shall be in addition to any other remedies the Franchisor may possess, as permitted by law.

Franchise Owner acknowledges that this paragraph shall not constitute agreement by the Franchisor to accept such payments after same are due or a commitment by the Franchisor to extend credit to, or otherwise finance Franchise Owner's operation of the Office. Further, Franchise Owner acknowledges that Franchise Owner's failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided herein.

D. Definition of Gross Revenues

The term "Gross Revenues" means the amount of all receipts for the sale of any products or services of the Office and income of every other kind and nature related to the Office, whether for products or services, cash, exchange, or credit, regardless of collection in a case of credit, less any refunds; provided, however, that "Gross Revenues" shall not include any sales taxes or other taxes collected by Franchise Owner for transmittal to the appropriate taxing authority.

E. Franchisor's Right to Apply Franchise Owner Payments

Notwithstanding any designation by Franchise Owner, the Franchisor shall have the sole discretion to apply any payments by Franchise Owner to any past due indebtedness of Franchise Owner for Royalty Fee payments, purchases from the Franchisor and any of Franchisor's Affiliates, interest or any other indebtedness.

VII. ADVERTISING AND MARKETING

Recognizing the value of marketing and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Office, Franchise Owner agrees as follows:

A. Initial Marketing Campaign

Franchise Owner shall spend no less than One Thousand Dollars ($1,000.00) for its initial marketing campaign. The Franchisor may advise Franchise Owner regarding the preparation and placement of such marketing campaign. Such monies must be spent either prior to and/or during the first sixty (60) days after the Franchise Owner opens the Office.

If so requested by the Franchisor, Franchise Owner shall participate in a joint initial marketing campaign with other Franchise Owners in the same marketing area, who are opening their System Office at about the same time as Franchise Owner. With regard to all advertising, Franchise Owner shall use the advertising materials, techniques and concepts of the Franchisor and none other unless the Franchise Owner obtains the prior written approval of the Franchisor to use other materials, techniques and concepts.

B. Local Marketing Plan

Franchise Owner shall create a local marketing plan by which Franchise Owner shall place local marketing in any media it desires, provided that such marketing conforms to the standards and requirements of the Franchisor as set forth in the Manual, or otherwise designated by Franchisor.

Franchise Owner may not advertise the Office in connection with any other business, except with the Franchisor's prior written approval. Franchise Owner shall obtain the Franchisor's prior approval of all advertising and promotional plans and materials that Franchise Owner desires to use at least thirty (30) days before the start of any such plans unless such plans and materials have been previously approved by the Franchisor. Franchise Owner shall submit such plans and materials to the Franchisor by personal delivery or through the mail, "Return Receipt Requested." Franchise Owner shall not use such plans or materials until they have been approved by the Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans and materials upon the request of the Franchisor. Any plans or materials submitted by Franchise Owner to the Franchisor that have not been approved or disapproved in writing, within thirty (30) days of receipt thereof by the Franchisor, shall be deemed disapproved.

C. Brand Fund

1. We reserve the right to establish a Brand Marketing Fund ("Brand Fund"). If established, Franchise Owner shall pay to the Brand Fund the amount of one percent (1%) of the Office's monthly Gross Revenues for the previous month. If established, Franchisor may use the Brand Fund Contributions and any earnings of the Brand Fund for any costs associated with advertising, marketing, public relations, promotional programs and materials (which may be national or regional in scope) and/or any other activities that we believe would benefit the System, including the following: social media such as Facebook, Twitter, etc.; advertising campaigns in various media; point-of-purchase materials; review of locally-produced ads; free standing inserts; brochures; purchasing and/or developing promotional materials; market research, including secret shoppers; sponsorships; design and maintenance of a website; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; accounting costs; and holding an annual franchise convention. Franchisor will not use the Brand Fund for any activity whose sole purpose is

the marketing of franchises; however, Franchise Owner acknowledges that the Company's website, public relations activities, community involvement activities and other activities that may be supported by the Brand Fund may contain information about franchising opportunities. If established, Franchisor will have the right to direct all programs supported by the Brand Fund, with final discretion over creative concepts, the materials and media used in the programs and their placement. Franchisor does not guarantee that Franchise Owner will benefit from the Brand Fund in proportion to Franchise Owner's contributions to the Brand Fund.

2. If the Brand Fund is established, any Office operated by the Franchisor or its affiliated companies will contribute to the Brand Fund on the same basis as comparable franchises. Franchisor will not use any contributions to the Brand Fund to defray any of its general operating expenses, except for reasonable administrative costs and overhead that it incurs in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including salaries of Franchisor personnel who devote time to Brand Fund activities). Franchisor will separately account for the Brand Fund, but Franchisor does not need to segregate Brand Fund monies from its other monies.

3. Any point-of-sale materials produced with Brand Fund monies will be made available to Franchise Owner at a reasonable cost, and the proceeds of such sales will be credited to the Brand Fund. Franchisor is not required to have an independent audit of the Brand Fund and may spend in any fiscal year an amount greater or less than the aggregate contribution of all Gasket Guy franchises to the Brand Fund during that year or cause the Brand Fund to invest any surplus for its future use. Franchisor will make available an unaudited statement of contributions and expenditures for the Brand Fund no sooner than ninety (90) days after the close of Franchisor's fiscal year to Franchise Owners who make a written request for a copy.

VIII. ACCOUNTING AND BOOKKEEPING RECORDS

A. Bookkeeping, Accounting and Records

Franchise Owner shall maintain during the term of this Agreement, and shall preserve for a minimum of seven (7) years thereafter, full, complete accurate records of all sales, marketing activities, closeout sheets, payroll and accounts payable in accordance with the standard accounting system described by the Franchisor in the Manual or otherwise specified in writing.

B. Submission of Financial Statements

Franchise Owner shall, at its expense, submit to the Franchisor, within fifteen (15) days of the end of each calendar month during the term of this Agreement, on forms prescribed by the Franchisor, a financial statement, which may be unaudited, for the preceding month, including both an income statement and balance sheet. Franchise Owner shall also, at its expense, submit to the Franchisor within sixty (60) days of the end of each fiscal year of

Franchise during the term of this Agreement, a complete financial statement for the said fiscal year, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with such other information in such form as the Franchisor may require. Each financial statement shall be signed by Franchise Owner or by Franchise Owner's Treasurer or Chief Financial Officer, attesting that the statement is true and correct and prepared in accordance with the Franchisor's requirements. Franchise Owner shall also submit to the Franchisor its current financial statement and other forms, records, reports, information and data as the Franchisor may reasonably designate, in the form, and at the times and the places reasonably required by the Franchisor, upon request, and as specified from time-to-time in the Manual or otherwise specified in writing.

C. Franchisor's Right to Audit

The Franchisor has the right at any time during business hours and without prior notice to examine, compile, review, or audit all business records, financial and otherwise, relating to Franchise Owner's Office.

If such examination or audit discloses an understatement of Gross Revenues of five percent (5%) or more for any month, or if an examination or audit of the Franchise Owner's books and records is made necessary by the failure of the Franchise Owner to furnish supporting records, financial statements or other documents or information as required by this Agreement or the failure to furnish such reports, records, financial statements, documents or information on a timely basis, then the Franchise Owner shall reimburse the Franchisor upon written notice for the cost of such examination, compilation, review or audit. Such cost shall include, but not be limited to, compensation of audit personnel and their travel expenses, lodging and meals.

D. Entity Franchise Owner

If the Franchise Owner is or becomes an entity, such as a corporation, partnership, limited liability company or other legal entity, either prior to executing this Agreement, or at any time during the term of this Agreement, the following requirements shall apply:

1. Franchise Owner shall promptly furnish to Franchisor upon request certified copies of the following: (a) Franchise Owner's articles of incorporation or charter, bylaws and other governing documents, and any and all amendments thereto, and resolutions of the board of directors authorizing entry into this Agreement, if Franchise Owner is a corporation; or (b) Franchise Owner's partnership agreement and other governing documents, and any and all amendments thereto, and resolutions of the general partners, and limited partners, if necessary, authorizing entry into this Agreement, if Franchise Owner is a partnership; or (c) Franchise Owner's articles of organization, operating agreement and other governing documents, and any and all amendments thereto, and resolutions of the members and/or managers authorizing entry into this Agreement, if Franchise Owner is a limited liability company; and (iv) any and all such other documents as Franchisor may require.

2. Franchise Owner shall maintain a current list of all owners of an Equity Interest (as such term is defined in Section II (B) (6) of this Agreement) in the Franchise Owner and its subsidiaries and affiliates and the percentage ownership interest of each such person and a list of all officers, directors, managers or others in such form as Franchisor may require, and Franchise Owner shall furnish same to Franchisor promptly upon request.

3. Each owner of an Equity Interest in Franchise Owner (and if any such owner is not a natural person, then the natural person(s) owning, directly or indirectly, an Equity Interest in such owner) shall jointly and severally guarantee Franchise Owner's payment and performance hereunder and shall bind themselves to the terms of this Agreement by executing a Guaranty of Franchise Owner's Undertakings in substantially the form of Attachment B to this Agreement; provided, however, that the requirements of this subsection shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation").

4. Anything in this Agreement to the contrary notwithstanding, if Franchise Owner is a legal entity, the Operating Partner (as such term is defined in Section VI (A) (1) of this Agreement) must have authority to bind the Franchise Owner to obligations related to this Agreement and shall be required to satisfactorily complete Franchisor's training program. The Operating Partners shall be required to work at the Office as required by Section XI (L) of this Agreement. The execution of this Agreement evidences Franchisor's approval of the following Operating Partner designated by Franchise Owner and identified below, subject to the satisfactory completion by the Operating Partner of Franchisor's training program:

____

[PRINT OR TYPE NAME OF OPERATING PARTNER]

The Franchise Owner shall not designate a new Operating Partner without the prior written approval of Franchisor, in its sole discretion.

5. All issued and outstanding share certificates or other certificates evidencing the ownership of any Equity Interest in the corporation, partnership, corporation or other legal entity shall bear a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TERMS, CONDITIONS AND RESTRICTIONS CONTAINED IN A FRANCHISE AGREEMENT BETWEEN ________________________________ AND GASKET GUY FRANCHISE COMPANY, LLC, DATED ________________________.

IX. STANDARDS OF QUALITY AND PERFORMANCE

Franchise Owner shall comply with the entire System developed by the Franchisor including, without limitation, the following:

A. Secure Site in 90 Days and Open The Office in 180 Days

Within ninety (90) days after the date of this Agreement, Franchise Owner must obtain the Franchisor's written approval of the site for the Franchised Business and the proposed lease agreement for the location of the Office and furnish to Franchisor a fully executed copy or original, as the case may be, of each of the agreements described in Section IV (D) above. If Franchise Owner for any reason fails to satisfy the foregoing requirements as herein provided, Franchisor shall have the right to terminate this Agreement in the manner herein provided. If this Agreement is terminated pursuant to this paragraph, the Franchisor may keep the Initial Franchise Fee paid by Franchise Owner to Franchisor as liquidated damages, not as a penalty.

Franchise Owner shall commence operation of the Office not later than one hundred eighty (180) days after the date of this Agreement. Prior to such opening, Franchise Owner shall have procured all necessary licenses, permits, and approvals, including, without limitation, construction permits and licenses, and shall have hired and trained personnel, made all leasehold improvements, and purchased and installed necessary equipment, and procured a representative inventory as required by the Franchisor. If Franchise Owner for any reason fails to commence operations as herein provided, unless Franchise Owner is precluded from doing so by war or civil disturbance or natural disaster, such failure shall be considered a default hereunder and the Franchisor may terminate this Agreement in the manner herein provided. If this Agreement is terminated pursuant to this paragraph, the Franchisor may keep the Initial Franchise Fee paid by Franchise Owner to Franchisor as liquidated damages, not as a penalty.

B. Image of The Office

Franchise Owner agrees to maintain the condition and appearance of the premises of the Office consistent with the Franchisor's standards for the image of the Office as an attractive, pleasant and comfortable business. Franchise Owner agrees to effect such reasonable maintenance of the Office as is required from time-to-time to maintain or improve the appearance and efficient operation of the Office, including replacement of worn out or obsolete fixtures, furniture and signs, repair of the exterior and interior of the Office and decorating. If at any time in the Franchisor's judgment the general state of repair or the appearance of the premises of the Office or its equipment, fixtures, furniture, signs or decor does not meet the Franchisor's standards, the Franchisor shall so notify Franchise Owner, specifying the action to be taken by Franchise Owner to correct such deficiency. If Franchise Owner fails or refuses to initiate within fifteen (15) days after receipt of such notice, and thereafter continue, and promptly complete, a bona fide program to complete any required maintenance, the Franchisor shall have the right (but not the obligation), in addition to all other remedies, to enter upon the premises of the Office and effect such maintenance on behalf of Franchise Owner, and Franchise Owner shall pay the entire costs thereof on demand. Franchise Owner's obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is impossible to due to war, civil disturbance or natural disaster or other event beyond Franchise Owner's reasonable control.

C. No Alteration to The Office

If Franchise Owner's Office is not home-based, Franchise Owner shall make no material alterations to the improvements of the Office. Franchise Owner shall not make material replacements of or alterations to the equipment, fixtures, furniture or signs of the Office without the prior written approval by the Franchisor.

D. Use of Premises

The location of the Office approved by the Franchisor in accordance with this Agreement shall be used solely for the purposes of operating the Office. If the Office is home-based, Franchise Owner may use the Office for unrelated but non-competitive business purposes as long as those unrelated but non-competitive business purposes do not interfere with any of Franchise Owner's obligations to properly fulfill the terms of this Agreement and to properly operate the Franchised Business.

E. Authorized Products and Services

Franchise Owner agrees to offer for sale and sell at the Office all types of merchandise, products and/or services that the Franchisor from time-to-time authorizes, and Franchise Owner shall not offer for sale or sell at the Office any other category of merchandise, products or services, or use such premises for any purpose other than the operation of the Office in full compliance with this Agreement.

F. Sale of Trademarked or Copyrighted Product Lines

Franchise Owner agrees, as part of the consideration for this Agreement, that Franchise Owner will carry an adequate supply and maintain a representative inventory of items and merchandise packaged under the Franchisor's trademarks and/or copyrights, if any, and Franchise Owner shall maintain, carry and promote such items and merchandise for sale or lease to the general public in order to meet customer demands as designated by the Franchisor.

G. Approved Manufacturers, Suppliers and Distributors

From time-to-time, the Franchisor may provide to Franchise Owner a list of approved manufacturers, suppliers, and distributors for all products and services necessary to operate the Office. The Franchisor may revise the approved list of manufacturers, suppliers and distributors from time-to-time in its sole discretion.

H. Authorized Equipment, Fixtures, and Supplies

All supplies, equipment, materials and related items, forms and other materials used in the operation of the Office shall conform to the specifications and quality standards established by the Franchisor from time-to-time. Franchise Owner shall purchase all inventory, supplies and other products and materials required for the operation of the Office solely from suppliers (including manufacturers and distributors) who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's reasonable standards and specifications for such items; who possess adequate quality control and capacity to meet Franchise Owner's needs properly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchise Owner desires to purchase any items from an unapproved supplier, Franchise Owner shall submit to Franchisor a written request for approval of such supplies, or shall request supplier to do so. Franchisor approval shall not be unreasonably withheld. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facility and that samples from the supplier be delivered at Franchisor's option either to Franchisor or to an independent consultant designated by Franchisor for testing. A charge not to exceed the actual cost of the inspection and the actual cost of the testing shall be paid by Franchise Owner or the supplier. The Franchisor reserves the right, at its option, to reinspect the facilities and products of such approved suppliers, from time-to-time, and to revoke its approval upon supplier's failure to continue to meet any of the Franchisor's criteria for standards and specifications. The Franchisor shall be entitled upon request, to periodically review inventory reports from the Franchise Owner, including product identification and serial numbers, if applicable, for compliance with the foregoing requirements.

I. Specifications, Standards and Operating Procedures

Franchise Owner agrees to fully comply with all mandatory specifications, standards, operating procedures and rules as in effect from time-to-time relating to:

1. The safety, maintenance, cleanliness, function and appearance of the Office and its equipment, fixtures, furniture, decor and signs and maintenance thereof;

2. Procedures regarding purchasing of any trademarked product line or copyrighted materials and other inventory items;

3. Procedures and techniques regarding merchandising activities;

4. Training, dress, general appearance and demeanor of the Office's employees;

5. Hours during which the Office will be attended and open for business;

6. Advertising and promotional programs;

7. Use and retention of standard forms;

8. Type, quantity and variety of equipment, trademarked product lines and copyrighted materials and inventory items;

9. Use and illumination of signs, posters displays and similar items;

10. Identification of Franchise Owner as the owner of the Office; and

11. The handling of customer complaints.

Mandatory specifications, standards, operating procedures and techniques and other rules prescribed from time-to-time by the Franchisor in the Manual or otherwise communicated to Franchise Owner in writing, shall constitute provisions of this Agreement, as if fully set forth herein. All references herein to this Agreement shall include all such mandatory specifications, standards and operating procedures and rules.

J. Licenses, Permits and Certificates

Franchise Owner shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Office and shall operate the Office in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to occupational hazards and health, consumer protection, equal opportunity, trade regulation, workers' compensation, unemployment insurance, withholding and payment of federal and state income taxes and social security taxes and sales, use and property taxes.

K. Products with the Proprietary Marks

Franchise Owner shall in the operation of the Office, use and display, labels, forms and other paper products imprinted with the Proprietary Marks and colors as prescribed from time-to-time by the Franchisor.

L. Supervision of The Office

The Franchise Owner, or the Franchise Owner's Operating Partner if the Franchise Owner is a legal entity, must devote a majority of his or her time and efforts to the management and operation of the Office. Franchise Owner or Franchise Owner's Operating Partner, as the case may be, must work at the Office at least fifty (50) hours per week during the first two (2) years of the Office's operations. In addition, the Franchise Owner must have a fully trained manager operate the Office at all times when the Franchise Owner or Franchise Owner's Operating Partner is not personally managing and operating the Office. Franchise Owner shall keep the Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Office. The Franchisor shall make training available, as is reasonable and necessary, for all managers designated by Franchise Owner. The Franchisor may provide such training at the then-current rates charged by the Franchisor. Franchise Owner agrees that it will at all times faithfully, honestly and diligently perform its obligations hereunder and that it will not engage in any business or other activities that will conflict with its obligations hereunder.

M. Inventory and Supplies Prior to Opening

Prior to commencement of operation of the Office, Franchise Owner shall adequately supply the Office with representative equipment, fixtures, signs, and inventory as prescribed by the

Franchisor, and any other items of the type, quantity and quality as specified by the Franchisor in the Manual.

N. Continued Use of Inventory and Supplies

Franchise Owner shall at all times maintain at the Office an adequate inventory of all products and services required by the Franchisor.

O. Use of Advertising and Promotional Activities

All advertising and promotional activities that Franchise Owner conducts in any medium shall be conducted in a dignified manner and shall accurately promote, describe and otherwise represent the products and services of the Office and shall have been approved in writing by the Franchisor prior to their use by Franchise Owner. Franchise Owner agrees to refrain from any advertising or promotional practice that is unethical or may be injurious to the Office or reputation of the Franchisor or the goodwill associated with the Proprietary Marks.

P. Notice of Legal Proceedings

Franchise Owner shall notify the Franchisor in writing within five (5) days of the commencement of or the threatening of any action, suit, or proceeding, or of the issuance or the threatened issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation, financial condition or reputation of the Office.

Q. Internet Use

Franchise Owner shall not establish a website on the Internet using any domain name containing the words “Gasket Guy” or any variation thereof. The Franchisor retains the sole right to advertise on the Internet and create a website using any of the foregoing or related domain names. Franchise Owner acknowledges that Franchisor is the owner of all right, title and interest in and to such domain names as Franchisor shall designate. Franchisor retains the right to pre-approve Franchise Owner's use of linking and framing between Franchise Owner's web pages and all other websites. Franchise Owner shall, within five (5) days, dismantle any frames and links between Franchise Owner's web pages and any other websites, if requested by Franchisor.

R. Generative AI

Franchisee will not, without the Franchisor’s prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models (“Generative AI”) directly or indirectly in the operation of the Office, including without limitation, in advertising, promotion, or marketing of the Office or the Franchised Business, communications with customers, business planning, analysis or optimization, or in any social media. Franchisee acknowledges and agrees not to upload or share any confidential information of the Franchisor (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by the Franchisor. In addition, Franchisee shall prohibit its employees from using any confidential information in Generative AI. In the event Franchisee utilizes any Generative AI, with or without the Franchisor's prior approval, Franchisee shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.

X. PROPRIETARY MARKS

A. Franchisor's Ownership of Proprietary Marks

Franchise Owner acknowledges and agrees that the Franchisor is the owner of the Proprietary Marks, and Franchise Owner's right to use the Proprietary Marks is derived solely from this Agreement and is limited to the conduct of the Office by Franchise Owner pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by the Franchisor from time-to- time during the term of this Agreement. Any unauthorized use of the Proprietary Marks by Franchise Owner is a breach of this Agreement and an infringement of the rights of the Franchisor in and to the Proprietary Marks. Franchise Owner acknowledges and agrees that all usage of the Proprietary Marks by Franchise Owner and any goodwill established by Franchise Owner's use of the Proprietary Marks shall inure to the exclusive benefit of the Franchisor and that this Agreement does not confer any goodwill or other interests in or to the Proprietary Marks upon Franchise Owner. Franchise Owner shall not, at any time during the term of this Agreement, or after its termination or expiration, contest the validity or ownership of any of the Proprietary Marks or assist another person in contesting the validity or ownership of any of the Proprietary Marks. All provisions of this Agreement applicable to the Proprietary Marks apply to any additional trademarks, service marks, and commercial symbols authorized for use by and licensed to Franchise Owner by the Franchisor.

B. Franchise Owner's Use of Proprietary Marks

Franchise Owner shall not use any Proprietary Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Franchise Owner use any Proprietary Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by the Franchisor. Franchise Owner agrees to comply with all notices of trademark and/or service mark registrations as the Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law or as requested by the Franchisor. Franchise Owner shall not use any of the Proprietary Marks in any manner that has not been specified or approved by the Franchisor prior thereto.

C. Unauthorized Use of Proprietary Marks

Franchise Owner shall immediately notify the Franchisor in writing of any apparent infringement of or challenge to Franchise Owner's use of the Proprietary Marks, which it becomes aware of, and of any claim by any person of any right in the Proprietary Marks or any similar trade name, trademark, or service mark of which Franchise Owner becomes aware. Franchise Owner shall not directly or indirectly communicate with any person other than the Franchisor and its counsel in connection with any such infringement, challenge, or claim. The Franchisor shall have sole discretion to take such action as it deems appropriate and shall have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Proprietary Marks. Franchise Owner agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of the Franchisor's counsel, be necessary or advisable to protect and maintain the interests of the Franchisor in any such litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding or to otherwise protect and maintain the interests of the Franchisor in the Proprietary Marks.

D. Franchisor's Right to Modify

If it becomes advisable at any time in the Franchisor's sole discretion, for the Franchisor and/or Franchise Owner to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade names, trademarks, service marks, or other commercial symbols, Franchise Owner agrees to comply with the Franchisor's directions within a reasonable time after notice to Franchise Owner by the Franchisor. The Franchisor shall have no liability or obligation whatsoever with respect to Franchise Owner's modification or discontinuance of the Proprietary Marks. Franchise Owner agrees that any costs for modifying or changing the Proprietary Marks will be borne by Franchise Owner and such modification or change of Proprietary Marks will be completed by Franchise Owner within a reasonable period of time after notification by the Franchisor.

E. Franchisor's Right to Inspect The Office

In order to preserve the validity and integrity of the Proprietary Marks and copyrighted materials licensed herein, and to assure that Franchise Owner is properly employing the same in the operation of the Office, the Franchisor or its agents shall have the right of entry and inspection of Franchise Owner's premises at all reasonable times and, additionally, shall have the right to observe the manner in which Franchise Owner is rendering its products and services and conducting its operations. The Franchisor or its agents shall have the right to confer with Franchise Owner's employees and customers, and to inspect equipment, trademarked items, supplies or inventory for evaluation purposes in order to make certain that the equipment, trademarked items, supplies, inventory, services and operations are satisfactory and meet the quality control provisions and performance standards established by the Franchisor from time-to-time.

F. Purchase of Proprietary Products

Prior to the time Franchise Owner opens the Office, Franchise Owner may be obligated to purchase certain products, supplies and equipment from certain designated suppliers. In addition, Franchise Owner may be obligated during the term of the Agreement to purchase from the Franchisor or one of the Franchisor's Affiliates certain proprietary products in order to properly operate the Office.

XI. CONFIDENTIALITY OF PROPRIETARY INFORMATION

A. Definitions

"Confidential Information" means any information or data, other than "Trade Secrets" (as defined below), that is of value and treated as confidential by Franchisor, including, without limitation, any information designated as a Trade Secret by Franchisor, but which is ultimately determined, under applicable law, not to constitute a "trade secret," provided that same otherwise meets the definition of Confidential Information. FRANCHISE OWNER ACKNOWLEDGES THAT THE TERMS OF THIS AGREEMENT AND THE MANUAL ARE CONFIDENTIAL INFORMATION.

"Trade Secrets" means any information, without regard to form, related to Franchisor, and Franchisor's Affiliates, including technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, plans and specifications for designated products, methods of inventory control, operational systems, management techniques, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. To the extent that applicable law mandates a definition of "trade secret" inconsistent with the foregoing definition, then the foregoing definition shall be construed in such a manner as to be consistent with the mandated definition under applicable law.

B. Non-Disclosure Covenant

Franchise Owner acknowledges that Franchise Owner and owners of an Equity Interest in Franchise Owner, its subsidiaries and affiliates, may be exposed to certain Confidential Information and Trade Secrets of the Franchisor during the term of the Franchise Agreement, and that the unauthorized use or disclosure of such information or data by Franchise Owner, or owners of an Equity Interest in Franchise Owner, could cause immediate and irreparable harm to the Franchisor. Accordingly, except to the extent that it is necessary to use such information or data to perform his or her express obligations under this Agreement, Franchise Owner shall not (and shall take diligent measures to ensure that each owner of an Equity Interest in Franchise Owner, its subsidiaries and affiliates, and their respective employees and agents shall not), without the express prior written consent of the Franchisor, publish, disclose, transfer, release or divulge to any other person or entity, or use or modify for use, directly or indirectly, in any way for any person or entity:

1. Any of the Confidential Information during the term of this Agreement and for a period of two (2) years after the termination of this Agreement; and

2. any of the Trade Secrets at any time during which such information shall constitute a Trade Secret before or after termination of this Agreement.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE PARTIES ACKNOWLEDGE AND AGREE THAT THE FRANCHISOR'S CONFIDENTIAL INFORMATION INCLUDES, BUT IS NOT LIMITED TO: THE TERMS AND CONDITIONS OF THIS AGREEMENT; THE CONTENTS OF THE MANUAL (EXCEPT FOR ANY INFORMATION IN THE MANUAL THAT WOULD CONSTITUTE A “TRADE SECRET”); AND ANY COMPONENT OF THE SYSTEM THAT DOES NOT CONSTITUTE A “TRADE SECRET” BUT THAT OTHERWISE MEETS THE DEFINITION OF “CONFIDENTIAL INFORMATION.”

As a condition to Franchisor entering into this Agreement, and from time-to-time during the term of this Agreement, Franchise Owner shall cause each owner of an Equity Interest in Franchise Owner (and each owner of an Equity Interest in any subsidiary or affiliate of Franchise Owner, as Franchisor may request) to execute and deliver a confidentiality agreement in substantially the form of <u>Attachment G</u> attached hereto.

C. <u>Injunctive Relief Available to Franchisor</u>

Franchise Owner acknowledges that any failure to comply with the requirements of this paragraph of this Agreement will cause the Franchisor irreparable injury, and the Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements. Franchise Owner agrees to pay all court costs and reasonable attorneys' fees incurred by the Franchisor in obtaining specific performance of, or an injunction against, any violation of the requirements of this Agreement. The foregoing remedies shall be in addition to any other legal or equitable remedies that the Franchisor may possess. Franchisor shall not be required to post a bond in excess of $1,000 or other security with respect to obtaining injunctive relief.

D. <u>Franchise Owner's Employees Will Not Disclose Proprietary Information</u>

The Franchise Owner may disclose the proprietary information only to such of its employees, agents and representatives as must have access to it in order to operate the Office.

Franchise Owner shall enter into a confidentiality agreement in substantially the form of <u>Attachment H</u> attached hereto with Franchise Owner's manager and each assistant manager at the Office. Franchise Owner shall not disclose, or permit the disclosure of, any Confidential Information or Trade Secret to any employee (including, without limitation, Franchise Owner's manager and assistant managers) until that person executes and delivers a confidentiality agreement in substantially the form of Attachment H attached hereto. Franchisor shall be a third-party beneficiary of such confidentiality agreements entered into by Franchise Owner with its employees and shall have the right to enforce its provisions independently of Franchise Owner.

E. Franchisor's Patent Rights and Copyrights

The Franchisor does not own rights in, or to, any patents that are material to the Franchise. However, the Franchisor claims a copyright in the Manual and certain marketing, sales, and operations literature. Furthermore, the Franchisor does claim rights to certain Trade Secrets and Confidential Information as discussed above.

F. Ownership of Newly Developed Products and Services

Franchise Owner must fully and promptly disclose to the Franchisor all ideas, names, concepts, methods and techniques relating to the development, operation or promotion of his or her franchised Business, conceived or developed by him or her or by employees during the term of this Agreement. The Franchisor has the perpetual right to use and authorize other System Offices to use such ideas, names, concepts, methods and techniques and, if incorporated into Franchisor's System for the development, operation or promotion of the Office, such ideas, names, concepts, methods and techniques become the sole and exclusive property of Franchisor without any consideration to Franchise Owner, in as much as they are derivative ideas or products of the Franchisor's Proprietary Information.

XII. MODIFICATION OF THE SYSTEM

Franchise Owner recognizes and agrees that from time-to-time hereafter the Franchisor may change or modify the System as presently described in the Manual, and as identified by the Franchisor's Proprietary Marks, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new Computer programs and systems, new types or brands of merchandise and products, new inventory, new equipment requirements or new techniques and that Franchise Owner will accept, use and display for the Term of this Agreement any such changes in the System, as if they were part of this Agreement at the time of execution hereof. Franchise Owner will make such expenditures as such changes or modifications in the System may reasonably require. Franchise Owner shall not change, modify or alter in any way any material aspect of the System, without the prior written consent of the Franchisor.

XIII. INSURANCE OBLIGATIONS

A. Overall Insurance Coverage Required

Franchise Owner must procure, prior to opening the Office and shall maintain in full force and effect during the term of this Agreement, at Franchise Owner's expense, an insurance policy or policies protecting the Franchisor, and the Officers, directors, partners, agents, and employees of both the Franchisor and Franchise Owner, against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with operating the Office. The Franchisor must be named as an additional insured on all such policies. The extent of coverages, amounts of insurance, deductibles, and other matters relating to the scope of coverage and the quality of the insurer may be set forth in the Manual.

B. Qualified Insurance Carrier

All insurance policies required under this Agreement shall be written by an insurance company satisfactory to the Franchisor, naming the Franchisor as an additional insured, whenever possible, in accordance with standards and specifications set forth in the Manual or otherwise specified in writing, and shall include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified from time-to-time by the Franchisor), the limits set forth in the Manual for the following categories of required insurance:

1. Comprehensive general liability instance including, but not limited to, product liability coverage and personal injury coverage;

2. Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism;

3. Workers' Compensation and employer's liability insurance as prescribed by state law;

4. Hired and non-owned automobile coverage; and

5. Such other insurance that may be required by the statutes or other laws of the state or any local governmental entity in which the Office is located and operated.

C. No Limitations on Coverage

Franchise Owner's obligations to obtain and maintain the foregoing insurance policies, in the policy limits set forth in the Manual, shall not be limited in any way by reason of any insurance which may be maintained by the Franchisor, nor shall Franchise Owner's performance of this obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Franchise Owner may maintain such additional insurance as it may consider advisable.

D. Evidence of Coverage

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Franchise Owner must promptly submit evidence of satisfactory insurance and proof of payment thereof to the Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be cancelled or materially altered without giving at least thirty (30) days' prior written notice to the Franchisor.

E. Franchisor May Procure Insurance Coverage

Should Franchise Owner, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time-to-time by the Manual or otherwise in writing, Franchisor shall then have the right and authority (but no obligation) to procure such insurance and to charge same to Franchise Owner, which charges, together with a reasonable fee for the Franchisor's expenses in so acting, shall be payable by Franchise Owner immediately upon notice from the Franchisor.

F. Certificate of Insurance

Franchise Owner must submit to the Franchisor, at least annually, and otherwise upon request by the Franchisor a copy of the certificate of renewal or other evidence of the renewal, existence or extension of such insurance policies.

XIV. TERMINATION OF FRANCHISE

A. By Franchise Owner

If Franchise Owner is in compliance with this Agreement and the Franchisor materially breaches this Agreement and fails to cure such breach within thirty (30) days after written notice thereof is delivered to the Franchisor (or if such breach is not susceptible to cure within thirty (30) days, then if Franchisor fails to promptly commence and thereafter diligently pursue the cure of such breach until cured), then Franchise Owner may terminate this Agreement and the Franchise effective thirty (30) days after delivery to the Franchisor of notice thereof. Any termination of this Agreement and the Franchise by Franchise Owner, without complying with the foregoing requirements, or for any reason other than a material breach of this Agreement by the Franchisor and the Franchisor's failure to cure, or diligently pursue the cure of, such material breach within thirty (30) days after receipt of written notice thereof, shall be deemed a termination by Franchise Owner without cause.

If Franchise Owner is not in default of this Agreement or any other agreement between Franchise Owner and Franchisor (or Franchisor's affiliates), Franchise Owner has the right to terminate this Agreement and receive a refund of fifty percent (50%) of the Initial Franchise Fee, but Franchise Owner may only receive this refund if Franchise Owner terminates the Agreement no less than six (6) months after the Office is open, and no more than twelve (12) months after the Office is opened. If Franchise Owner exercises this right, Franchisor reserves the right to pay to Franchise Owner the refund within thirty-six (36) months upon written notice to Franchise owner.

B. By Franchisor

Franchise Owner acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of the Franchisor, but also for the protection of Franchise Owner and other franchise owners of the Franchisor. As a result, Franchise Owner therefore acknowledges and agrees that strict and exact performance by Franchise Owner of each of the covenants and conditions contained in this Agreement is a condition precedent to the continuation of this Agreement. If Franchise Owner shall breach any provision of this Agreement, then the Franchisor shall notify Franchise Owner in writing of such breach, specifying its nature and giving Franchise Owner thirty (30) days in which to remedy same. If Franchise Owner shall fail to remedy such breach during said thirty (30) days, then the Franchisor may terminate this Agreement and the Franchise effective immediately upon receipt by Franchise Owner of notice of termination.

C. Termination of Franchise -- Without Cure

Notwithstanding the foregoing, Franchise Owner shall be deemed to be in breach and the Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchise Owner any opportunity to cure the breach, effective immediately upon the Franchisor notifying Franchise Owner in writing of such breach, upon the occurrence of any of the following:

1. Franchise Owner abandons, surrenders, or transfers control of the operation of the Office, or fails to continuously and actively operate the Office, unless precluded from doing so by damage to the premises of the Office due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchise Owner's reasonable control;

2. Franchise Owner consistently (meaning twice or more in any twelve (12) month period) fails or refuses to submit when due any financial statement, tax return or schedule, or pay when due the Royalty Fees or any other payments or submit any required reports due to the Franchisor or any other party related to this Franchise;

3. Franchise Owner operates the Office in a manner that violates any federal, state, or local law, rule, regulation or ordinance in the absence of a good-faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom;

4. Franchise Owner or any owner of an Equity Interest in Franchise Owner has made a material misrepresentation on his or her application to own and operate the Franchise;

5. Any transfer or assignment of this Agreement or any Equity Interest in Franchise Owner or any sale or transfer of the Office without complying with the provisions of this Agreement applicable to same (including, without limitation, Section XIX (B) hereof);

6. Franchise Owner discloses or divulges the contents of the Manual, or any other Confidential Information or Trade Secret provided to Franchise Owner by the Franchisor or any of Franchisor's Affiliates to any third party or permits any owner of an Equity Interest in Franchise Owner or any of its subsidiaries or affiliates or any employee of Franchise Owner to disclose or divulge any such information;

7. Franchise Owner receives three (3) or more notices of breach or default under Section XIV (B) hereof during the term of this Agreement, whether or not such breaches or defaults are cured after notice;

8. Franchise Owner engages in any activity which has a material adverse effect on the Franchisor and/or the Proprietary Marks and/or engages in any other business at the Office;

9. Franchise Owner or any owner of an Equity Interest in Franchise Owner is convicted of a felony or has pleaded nolo contendere to a felony;

10. Franchise Owner breaches or defaults under Franchise Owner's lease agreement for the Office and fails to cure said default within any applicable grace or cure period provided for in such lease agreement;

11. Franchise Owner understates by five percent (5%) or more of its Gross Revenues in connection with any report required to be submitted to Franchisor;

12. Franchise Owner or any owner of an Equity Interest in Franchise Owner repeatedly engages in the excessive use of alcohol and/or drugs;

13. Franchise Owner misuses or makes any unauthorized use of the Proprietary Marks, engages in any business or markets any service or product under a name which is confusingly similar to the Proprietary Marks, or otherwise materially impairs the goodwill associated with the Proprietary Marks or Franchisor's rights therein;

14. Any threat or danger to public safety results from the construction, maintenance or operation of the Office;

15. Franchise Owner fails to comply with any of the covenants contained in Section XVI of this Agreement;

16. Franchise Owner fails to obtain and maintain all required permits and licenses under state and local law;

17. Any judgment or consent decree is entered against Franchise Owner or the owner of an Equity Interest in Franchise Owner in any case or proceeding involving allegations of fraud, racketeering, unfair and deceptive trade practices or similar claims which is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein;

18. Franchise Owner knowingly maintains false books or records or submits any false statements, applications or reports to Franchisor;

19. Franchise Owner fails to strictly comply with the product and quality control standards and specifications, fails to have suppliers approved by Franchisor or otherwise fails to meet any other significant specifications or guidelines set forth in the Manual.

D. Termination by Franchisor -- Immediately and Without Notice

Notwithstanding the foregoing, Franchise Owner shall be in breach under this Agreement and all rights granted under this Agreement will automatically terminate without notice to Franchise Owner, upon the occurrence of any of the following:

1. Franchise Owner makes an assignment for the benefit of creditors or makes an admission of Franchise Owner's inability to pay its obligations as they become due; or

2. Franchise Owner files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchise Owner or the Office, or the claims of creditors of Franchise Owner or the Office are abated or subject to moratorium under any laws.

XV. FRANCHISE OWNER'S OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

A. Payment of Monies Owed to Franchisor

Franchise Owner shall pay to the Franchisor, within fifteen (15) days after the date of termination or expiration of this Agreement, any Royalty Fees, payments for inventory, equipment or merchandise, or any other sums owed to the Franchisor, or Franchisor's Affiliates, by Franchise Owner, which are then unpaid.

B. Return of Manual and Other Materials

Franchise Owner further agrees that upon termination or expiration of this Agreement, it will immediately return to the Franchisor all originals and copies of the Manual, training aids and any other materials which have been loaned or provided to Franchise Owner by the Franchisor or Franchisor's Affiliates. Franchise Owner further agrees to turn over to the Franchisor any other manuals, customer lists, rolodexes, records, files, instructions, correspondence and brochures, Computer software, CD's and DVD's and any and all other Confidential Information and Trade Secrets relating to the operation of the Office in Franchise Owner's possession, custody, or control and all copies thereof (all of which are acknowledged to be the Franchisor's sole property), and will retain no copy or record of the foregoing, excepting only Franchise Owner's copy of this Agreement and any correspondence between the parties hereto, and any other documents which Franchise Owner reasonably needs for compliance with any provision of law.

C. Cancellation of Assumed Names and Transfer of Phone Numbers

Franchise Owner further agrees that upon termination or expiration of this Agreement, that Franchise Owner will take such action that may be required to cancel all assumed names or equivalent registrations relating to Franchise Owner's use of any Proprietary Marks and to notify the telephone company and listing agencies of the termination or expiration of Franchise Owner's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Proprietary Marks or with the Office and to authorize transfer of same to the Franchisor. Franchise Owner must acknowledge in writing that as between the Franchisor and Franchise Owner, the Franchisor has the sole rights to and interests in all telephone numbers and directory listings associated with any Proprietary Marks or the Office. Franchise Owner must further authorize the Franchisor, and thereby appoint the Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer the number and listings to the Franchisor. Should Franchise Owner fail or refuse to do so, the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of the Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

D. Cease Using Proprietary Marks

Franchise Owner further agrees that, upon termination or expiration of this Agreement, Franchise Owner shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures, and techniques associated with the Franchisor and the Proprietary Marks and any proprietary marks and distinctive forms, slogans, symbols, Computer formats, signs, logos or devices associated with the System. In particular, Franchise Owner will cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles that display the Proprietary Marks.

E. Cease Operating The Office

Franchise Owner agrees to immediately cease to operate the Office under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchise Owner of the Franchisor.

F. No Confusion with Proprietary Marks

If Franchise Owner continues to operate or subsequently begins to operate any other business after termination or expiration of this Agreement, Franchise Owner shall not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute the Franchisor's exclusive rights in and to the Proprietary Marks, and Franchise Owner further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with the Franchisor or a former association or connection with the Franchisor.

G. Franchisor's Option to Purchase Franchise Owner's Office

Franchise Owner further agrees that, upon termination or expiration of this Agreement, Franchisor shall have the right, but not the obligation, pursuant to the Collateral Assignment of Lease Attachment D or other agreement, to assume the Franchise Owner's lease agreement for the location of the Office with his or her landlord, if applicable. In addition, the Franchisor shall have the right, but not the obligation, to acquire Franchise Owner's interest in any or all of the assets of the Office as Franchisor in its sole discretion may determine, including all signs, fixtures, equipment, leasehold improvements, covenants and other contract rights, inventory, products, supplies and all items bearing the Franchisor's Proprietary Marks. The purchase price shall be equal to the lesser of the depreciated or amortized net book value thereof calculated using the shortest depreciation or amortization schedules permitted therefore or the fair market value of such assets (less the amount of any outstanding liens or encumbrances assumed by Franchisor). Franchisor's right to purchase shall be exercised by written notice to Franchise Owner not later than ninety (90) days after termination or expiration of this Agreement.

1. In the event that the Franchise Owner is the owner of fee simple title to the real estate wherein the Office is located, the Franchisor shall have the right, but not the obligation, to enter into a lease agreement with the Franchise Owner for a period of not more than ten (10) years, as the Franchisor shall select, and at a rate equal to or not more than the fair market rental value for the Office location at the time of termination or expiration of this Agreement.

2. In the event Franchisor exercises its option to purchase the Office, or any of the assets thereof, the purchase price will be reduced by:

a. any amounts due from Franchise Owner to Franchisor;

b. any amount required to perform such remodeling, repairs, replacements, and redecoration in and upon the Office location as Franchisor shall deem reasonably necessary and practical to bring the Office location, including equipment, fixtures and signage, up to the then-current standards of newly developed System Offices; and

c. any current and/or long-term liabilities of the Franchise Owner assumed by Franchisor.

H. Modification of Premises

Immediately upon termination or expiration of this Agreement for any reason, Franchise Owner shall make such modifications or alterations to the premises of the Office operated under this Agreement as may be necessary to distinguish the appearance of the premises from that of other System Offices and shall make such specific additional changes to the Office premises as the Franchisor may reasonably request for that computer. In the event the Franchise Owner fails or refuses to comply with this requirement, the Franchisor shall have the right to enter upon the premises without being guilty of trespassing or any other tort for the purpose of making or causing to be made such changes as may be required, at the expense of the Franchise Owner, which expense the Franchise Owner agrees to pay upon demand.

XVI. COVENANTS

A. Best Efforts

Franchise Owner covenants that during the term of this Agreement, and except as otherwise approved in writing by Franchisor, Franchise Owner shall devote Franchise Owner's best efforts to the efficient and effective management and operation of the Office.

B. Franchise Owner Receives Proprietary and Confidential Information

Franchise Owner specifically acknowledges that pursuant to this Agreement, Franchise Owner will receive valuable training and confidential information, including, without limitation, Confidential Information, Trade Secrets, information regarding promotional, operational, sales, and marketing methods and techniques of the Franchisor and the System.

C. Noncompetition

1. Franchise Owner shall not, during the term of this Agreement, on Franchise Owner's own account or as a shareholder, partner, member or other owner, officer, director, manager, agent, representative, employee or consultant of any Person own, operate, lease, franchise, license, conduct, engage in, be connected with, have any interest in, or assist any Person engaged in any gasket business (other than the Office) and similar businesses anywhere.

2. Franchise Owner shall not, for a continuous uninterrupted period of two (2) years commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) on Franchise Owner's own account or as a shareholder, partner, member or other owner, officer, director, manager, agent, representative, employee or consultant of any Person own, operate, lease, franchise, license, conduct, engage in, be connected with, have any interest in, or assist any Person engaged in any gasket business (other than the Office) and similar businesses and which is located at the Location or within a radius of twenty (20) miles of (i) the Location, (ii) the geographical boundaries of the Territory; and (iii) any other franchisee, company-owned, or affiliate-owned location.

3. Franchise Owner shall not, during the term of this Agreement and for two (2) years after expiration or termination of this Agreement, for any reason, (i) solicit, contact or do business with any customer for the purpose of selling any product or service which is similar to or competitive with any product or service offered by Franchisor, or its respective affiliates, franchisees or licensees or otherwise interfere with or take away customers or the business of any customer or in any way attempt to reduce the business which any customer does with Franchisor, or its respective affiliates, franchisees or licensees; and (ii) solicit, entice or induce, directly or indirectly, any employee of Franchisor, or its respective affiliates, franchisees or licensees to leave their employment

to work for Franchise Owner or with any person or entity with whom or with which Franchise Owner is or becomes affiliated.

4. Franchise Owner acknowledges and agrees that the type and period of restrictions imposed by the covenants in this Section XVI are fair and reasonable. If the scope of any limitations and restrictions imposed by the covenants in this Section XVI are too broad to permit enforcement thereof as written, then such limitations or restrictions shall be enforced to the maximum extent thereof as written, then such limitation or restrictions shall be enforced to the maximum extent permitted by law and Franchise Owner and Franchisor hereby expressly consent and agree that such scope may be judicially modified accordingly in any proceeding brought to enforce such limitations or restrictions.

5. As a condition to Franchisor entering into this Agreement, and from time-to-time during the term of this Agreement, Franchise Owner shall cause each owner of an Equity Interest in Franchise Owner to execute and deliver to Franchisor a non-competition agreement in substantially the form of Attachment F attached hereto.

D. No Undue Hardship

Franchise Owner acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchise Owner, since Franchise Owner has other considerable skills, experience and education which afford Franchise Owner the opportunity to derive income from other endeavors.

E. Inapplicability of Restrictions

Section XVI shall not apply to the ownership by Franchise Owner of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

F. Independence of Covenants

The parties agree that each of the covenants in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Section XVI is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Franchisor is a party, Franchise Owner expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made part of this Agreement.

G. Policies and Values

Franchise Owner understands and acknowledges that the Franchised Business must follow the Franchisor's operating policies and stated principles as presented in the Operations Manual.

H. Modification of Covenants

Franchise Owner understands and acknowledges that Franchisor shall have the right, in Franchisor's discretion, to unilaterally reduce the scope of any covenant set forth in this Section XVI or any portion thereof, without Franchise Owner's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall forthwith comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVIII hereof.

I. Enforcement of Covenants

Franchise Owner expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Agreement. Franchise Owner agrees to pay all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Franchisor in connection with the enforcement of the covenants set forth in this Agreement.

J. Injunctive Relief

Franchise Owner acknowledges that its violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchise Owner hereby consents to the entry of an injunction prohibiting any conduct by Franchise Owner in violation of the terms of the covenants not to compete set forth in this Agreement. Franchisor shall not be required to post a bond in excess of $1,000 or other security with respect to obtaining injunctive relief. Franchise Owner expressly agrees that it may be presumed conclusively that any violation of the terms of said covenants not to compete was accomplished by and through Franchise Owner's unlawful utilization of Franchisor's Confidential Information and Trade Secrets.

K. Written Agreements

As a condition to Franchisor entering into this Agreement, and from time-to-time during the term of this Agreement, Franchise Owner shall cause each Owner of any Equity Interest to execute and deliver to Franchisor, a noncompetition agreement in substantially the form of Attachment I attached hereto.

XVII. ASSIGNMENT

A. Assignment by Franchisor

Franchisor shall have the right to freely transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of the Franchisor without Franchise Owner's consent.

B. Assignment by Franchise Owner

1. The rights and duties created by this Agreement are personal to Franchise Owner. Accordingly, except as otherwise permitted herein, neither Franchise Owner nor any owner of an Equity Interest in Franchise Owner shall, without the prior written consent of Franchisor, directly or indirectly, sell, assign, transfer (including, without limitation, any transfer occurring by inter vivos transfer or, upon death, by testamentary laws or pursuant to the laws of intestate succession), convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement or any Equity Interest in Franchise Owner. Any such purported transfer or assignment occurring by operation of law or otherwise without the prior written consent of Franchisor, shall constitute a breach of this Agreement by Franchise Owner and shall be null and void. Franchise Owner shall not, without first complying with the Right of First Refusal provided in Section XVII(C) hereof and without obtaining the prior written consent of Franchisor, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer the Office, or any part thereof, including, without limitation, the leasehold interest of Franchise Owner in the premises on which the Office is located or any of the equipment, fixtures, furniture, interior and exterior signs, displays, decorating accessories, advertising materials, inventory and other items of real or personal property used in connection with the operation of the Office.

2. For all proposed transfers or assignments of this Agreement, and for all proposed transfers or assignments of any Equity Interest in the Franchise Owner, Franchisor will not unreasonably withhold its consent to any transfer or assignment which is subject to the restrictions of this Section; provided, however, Franchisor shall not be required to give its consent unless all of the following conditions are met prior to the date of the proposed transfer or assignment:

a. Upon each direct or indirect transfer of an interest in this Agreement or any Equity Interest in the Franchise Owner, Franchise Owner shall, within five (5) days prior to such transfer, furnish Franchisor with an estoppel agreement indicating any and all causes of action that Franchise Owner may have against Franchisor, or stating that none exist and a list of all persons having an Equity Interest in the Franchise Owner, together with the percentage ownership interest of each such person and the names of all officers, directors, managers or others in such form as Franchisor may require;

b. Franchise Owner is not in default under the terms of this Agreement, the Manual or any other obligations owed to Franchisor and all of its then-due monetary obligations to Franchisor and Franchisor's Affiliates have been paid in full;

c. Franchise Owner and all persons owning an Equity Interest in the Franchise Owner shall have executed a general release in a form prescribed by Franchisor of any and all claims and causes of action, if any, against Franchisor and Franchisor's Affiliates, and their respective officers, directors, agents, representatives and employees;

d. The transferee/assignee has demonstrated to Franchisor, in its sole and absolute discretion, that the transferee/assignee meets all of Franchisor's then-current requirements for new franchise owners and possesses good moral character and reputation, satisfactory credit ratings, acceptable business qualifications and the ability to fully comply with the terms of this Agreement;

e. The transferee/assignee, as franchise owner, has assumed this Agreement by a written assumption agreement approved by Franchisor, or has agreed to do so at closing, and at closing executes an assumption agreement approved by Franchisor;

f. If the transferee/assignee is an entity franchise owner, the transferee/assignee has designated a natural person who is a shareholder, partner, member, or other owner of such entity, as the case may be, approved in writing by Franchisor owning not less than twenty-five percent (25%) of the equity interest in such entity as the "Operating Partner";

g. The transferee/assignee, as franchise owner, executes such other documents as Franchisor may require, including, without limitation, a new franchise agreement (with appropriate modifications to reflect the fact that said agreement is entered into in connection with a transfer or assignment of this Agreement) in the form of the then-current franchise agreement used by Franchisor in order to assume all of the obligations of this Agreement, to the same extent, and with the same effect, as previously assumed by the assignor;

h. The transferee/assignee, the Operating Partner, the manager, assistant managers and other employees responsible for the operation and management of the Office have satisfactorily completed Franchisor's then-current training program;

i. The transferee/assignee does not operate, or participate or own an interest in, directly or indirectly, an entity which operates a franchise, license or other business offering services similar to those offered by Franchisor. Franchise Owner and the transferee/assignee shall conduct no business other than operating the Office;

j. The transferee/assignee has paid to Franchisor a transfer fee equal to twenty percent (20%) of the then-current Initial Franchise Fee imposed by Franchisor under its then-current Franchise Agreement; this transfer fee is not applicable to transferring equity interest in the Franchisee below twenty-five (25%)

k. If the transferee/assignee is an entity franchise owner, the transferee/assignee shall cause all shareholders, partners, members or other owners of such entity, as the case may be, to jointly and severally guarantee the transferee's/assignee's payment and performance under this Agreement by executing and delivering a guaranty agreement in form and substance satisfactory to Franchisor;

l. If the transferee/assignee is an entity franchise owner, all issued and outstanding share certificates or other certificates evidencing the ownership of any interest in such entity shall bear a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TERMS, CONDITIONS AND RESTRICTIONS CONTAINED IN A FRANCHISE AGREEMENT BETWEEN ____________________________ AND GASKET GUY FRANCHISE COMPANY, LLC, DATED ______________________.

m. Franchisor shall have the right to impose such additional conditions to its consent to any such proposed transfer or assignment as Franchisor may deem reasonably necessary under the circumstances, including, without limitation, the temporary closure of the Office in order that same may be brought into compliance with Franchisor's then-current standards.

Consent to a transfer or assignment by Franchisor shall not constitute a waiver of any claims it may have against the transferring party arising out of this Agreement or otherwise.

Anything in this Agreement to the contrary notwithstanding, if Franchise Owner is a natural person who assigns or transfers this Agreement to a legal entity in which such natural person owns one hundred percent (100%) of the Equity Interest, no transfer fee under Section XVII (B) shall be due; provided, however, such assignment or transfer shall be subject to all other terms and conditions of this Agreement applicable to entity franchise owners (including, without limitation, Section VIII (D)).

C. <u>Franchisor's Right of First Refusal</u>

If Franchise Owner desires to accept a bona fide offer from a third party to purchase Franchise Owner's interest in the Office or substantially all the assets of the Office, or if Franchise Owner desires to sell the Office or substantially all the assets of the Office and has found a willing buyer therefor, Franchise Owner shall notify Franchisor in writing of such offer and shall offer to sell the same to Franchisor upon the same terms and conditions, and shall provide such information and documentation relating to such offer as Franchisor requires. Franchisor shall have the option, exercisable within thirty (30) days after the receipt of such offer and other information and documentation, to send written notice to Franchise Owner that Franchisor intends to purchase such property on the same terms and conditions offered by or to the third party, or the cash equivalent thereof, at Franchisor's option. If Franchisor elects to purchase such property, closing shall occur within ninety (90) days after the end of such thirty (30) day period. If Franchisor does not elect to purchase such interest within such thirty (30) day period, Franchise Owner may sell or transfer such property to a third party; provided that such sale or transfer is made within ninety (90) days after the end of such thirty (30) day period, that such sale or transfer is made at a price and on terms no more favorable than those offered to Franchisor, that all applicable requirements of this Paragraph XVII are met, and that the purchaser agrees that after such sale or transfer, the Office shall continue to be operated under the Proprietary Marks and using the System.

D. Transfer Upon Death or Mental Incapacity

In addition to, and not in limitation of, the provisions of Section XVII (B) of this Agreement, upon the death or mental incapacity of Franchise Owner or any owner of an Equity Interest in Franchise Owner, the executor, administrator, or personal representative of that person must transfer his or her interest in this Agreement or the Franchise Owner, as the case may be, to a third party approved by the Franchisor within ninety (90) days after death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any such deceased person are unable to meet the conditions contained in this Agreement, the personal representative of such deceased person shall have a reasonable time in the sole discretion of the Franchisor, to distribute such deceased's person's interest, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time (as determined by the Franchisor in its sole discretion), the Franchisor may terminate this Agreement.

XVIII. OPERATION IN THE EVENT OF ABSENCE, INCAPACITY OR DEATH

In order to prevent any interruption of the business of the Office which would cause harm to said business and thereby depreciate the value thereof, Franchise Owner authorizes the Franchisor, in the event that Franchise Owner (or, in the case of an entity franchise owner, the Operating Partner) is absent or incapacitated or dies, and is not, therefore, in the sole judgment of the Franchisor, able to operate the Office hereunder, to operate the Office for so long as the Franchisor deems necessary and practical, and without waiver of any other rights or remedies the Franchisor may have under this Agreement; provided, however, that in the event that the Franchisor should commence to operate the Office, the Franchisor shall not be obligated to operate the Office for a period of more than ninety (90) days. All monies from the operation of the Office during such period of operation by the Franchisor shall be kept in a separate account and the expenses of the Office, including reasonable compensation and expenses for the Franchisor's representatives, shall be charged to said account. If, as herein provided, the Franchisor temporarily operates the Office, Franchise Owner agrees to indemnify and hold harmless the Franchisor and any representative of the Franchisor who may act hereunder, from any and all claims arising from the acts and omissions of the Franchisor and its representative arising therefrom.

XIX. INDEPENDENT CONTRACTOR

A. No Fiduciary Relationship

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, that the Franchise Owner shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

B. Franchise Owner Is An Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchise Owner shall hold itself out to the public as an independent contractor operating its business pursuant to a Franchise Agreement from the Franchisor. Franchise Owner agrees to take such affirmative actions as may be necessary to do so, including, without limitation, exhibiting a public notice of that fact, the content and display of which the Franchisor shall have the right to specify from time-to time.

XX. WAIVER

No failure of the Franchisor to exercise any power reserved to it by this Agreement or to insist upon strict compliance by Franchise Owner with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of the Franchisor's right to demand exact compliance with any of the terms herein. Waiver by the Franchisor of any particular default or breach by Franchise Owner shall not affect or impair the Franchisor's rights with respect to any subsequent default or breach of the same, similar or different nature; nor shall any delay, forbearance, or omission of the Franchisor to exercise any power or right arising out of any breach or default by Franchise Owner of any of the terms, provisions, or covenants hereof, affect or impair the Franchisor's right to exercise the same; nor shall such constitute a waiver by the Franchisor of any succeeding breach by Franchise Owner of any terms, covenants or conditions of this Agreement.

XXI. ENFORCEMENT

A. Arbitration

Except insofar as Franchisor elects to enforce this Agreement by judicial process and injunction as provided in Section XXI hereof, all disputes and claims arising out of or relating to this Agreement, or to the breach thereof, or to any of Franchisor’s standards or operating procedures, or other obligation of either of Franchisee or Franchisor, or to the breach thereof (including any claim that this Agreement, any provision of this Agreement, any specification, standard, operating procedure or any other obligation of Franchisee or Franchisor is illegal, unenforceable or voidable), or any aspect of the relationship between Franchisee or Franchisor (even if additional persons are named as parties to such action, but except as may be specifically provided with respect to any financing agreements you have with Franchisor or its affiliates, which shall be governed by the enforcement provisions thereof), must be resolved by arbitration in Fulton County, Georgia.

1. The arbitration will be held in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the JAMS (relating to the arbitration of disputes arising under franchise agreements, if any; otherwise, the general rules of commercial arbitration).

2. The arbitrator appointed must have at least ten (10) years' experience in franchising or franchise law, and the arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers and limitations of this Agreement. The arbitrator shall have no authority to add, delete or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator will have the right to award or include in any award the specific performance of this Agreement but will be required to file a reasoned brief with his or her award.

3. You and we acknowledge that judgment upon an arbitration order may be entered in any court of competent jurisdiction and will be binding, final, and non-appealable, except for mistakes of law, as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section.

4. If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with the terms hereunder, the arbitrability of such claim will be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either party against the other, the decision as to whether or not the claim is subject to arbitration will be made by the arbitrator appointed in accordance with this Agreement.

5. All arbitration proceedings will be individual proceedings between you and us, and will not be conducted on a "class" basis, or include any other of our franchisees as named parties unless you and we each agree.

6. If, after either you or we institute an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision, is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims or defenses or proceed to litigate all claims, counterclaims or defenses in a court having competent jurisdiction.

B. Judicial Enforcement, Injunction and Specific Performance

The Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in this Agreement, to collect any amounts owed to the Franchisor for any unpaid Royalty Fees, or other unpaid charges due hereunder, arising out of the Office conducted by Franchise Owner pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchase, or security agreements or other agreements, including, without limitation, the Collateral Assignment of Lease, with Franchise Owner. The Franchisor shall be entitled without bond to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If the Franchisor secures any such injunction or orders of specific performance, Franchise Owner agrees to pay to the Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, and other litigation expenses and travel and living expenses, and any damages incurred by the Franchisor as a result of the breach of any provision of this Agreement.

C. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

D. Franchise Owner May Not Withhold Payments Due Franchisor

Franchise Owner agrees that Franchise Owner will not withhold payments of any Royalty Fees or any other amounts of money owed to the Franchisor for any reason on grounds of alleged nonperformance by the Franchisor of any obligation hereunder.

E. Rights of Parties Are Cumulative

The rights of the Franchisor and Franchise Owner hereunder are cumulative, and the exercise or enforcement by the Franchisor or Franchise Owner of any right or remedy hereunder shall not preclude the exercise or enforcement by the Franchisor or Franchise Owner of any other right or remedy hereunder which the Franchisor or Franchise Owner is entitled by law or equity to enforce.

F. Governing Law

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et.seq.) this Agreement shall be governed by the laws of the State of Georgia, without giving effect to that state's conflict of laws principles.

G. Waiver of Jury Trial.

THE PARTIES TO THIS FRANCHISE AGREEMENT HEREBY WAIVE, IN ANY ARBITRATION OR JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISE, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

H. Waiver of Class-Action Lawsuits.

THE PARTIES FURTHER AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/ OFFICERS/ EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

I. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

J. Construction

This Agreement and other agreements or instruments referred to herein or which relate to the purchase or lease by Franchise Owner from the Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitute the entire agreement of the parties, and there are no other oral or written understandings or agreements between the Franchisor and Franchise Owner relating to the subject matter of this Agreement. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. The term "Franchise Owner" as used herein is applicable to one or more persons, a corporation or partnership, or such other form of legal entity as the Franchisor shall approve from time-to-time, as the case may be; the singular usage includes the plural; and the masculine, feminine and neuter usages each, includes the other.

K. Attorney Fees

In the event any legal proceedings between the parties hereto arise under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the other party.

L. Modification

This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed and supersede all prior oral and written understandings and agreements between the parties. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

M. Venue

The parties hereto agree that the terms and provisions of this Agreement are to be interpreted in accordance with and governed by the laws of the State of Georgia without giving effect to that state's conflict of laws principles and the venue for any proceeding relating to the provisions of this Agreement is to be in any court of competent jurisdiction in Fulton County, Georgia.

XXII. INDEMNIFICATION

Franchise Owner understands and agrees that nothing in this Agreement authorizes Franchise Owner to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchise Owner further understands and agrees that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action or by reason of any act or omission of Franchise Owner in its conduct of the Office, or any claim or judgment arising therefrom. Franchise Owner shall indemnify and hold harmless Franchisor and Franchisor's Affiliates and their respective officers, directors, shareholders, managers, members, employees and agents from and against any and all claims, damages, losses, liabilities, costs and expenses (including attorney fees) (collectively, "Damages"), arising directly or indirectly from, as a result of, or in connection with, any breach of this Agreement by Franchise Owner or the purchase, ownership and operation of the Office or by reason of any act occurring on or at the Office premises or by reason of an omission relating to the Office, as well as the costs, including attorneys' fees and court costs, of settling or defending against claims for Damages.

XIII. TAXES, PERMITS AND INDEBTEDNESS

A. Franchise Owner Must Pay Taxes Promptly

Franchise Owner shall promptly pay when due all taxes levied or assessed, including, without limitation, payroll, unemployment and sales taxes, and shall promptly pay when due all accounts and other indebtedness of any kind incurred by Franchise Owner in operating the Office.

Franchise Owner shall pay the Franchisor an amount equal to any sales tax, gross receipts tax or similar tax imposed on the Franchisor with respect to any payments to the Franchisor required under this Agreement, unless the Franchisor credits the tax against income tax otherwise payable by Franchisor.

B. Franchise Owner Can Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchise Owner may contest the validity or the amount of the tax or indebtedness in accordance with the proper procedures of the taxing authority or applicable law; however, in no event shall Franchise Owner permit a tax sale or seizure by levy of execution or similar liens, writ or warrant, or attachment by a creditor to occur against the premises of the Office or any improvements thereon.

C. Franchise Owner Must Comply With Laws

Franchise Owner shall, at Franchise Owner's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Office, including, without limitation, any required permits, licenses to do business, fictitious name filings and registrations, sales tax permits, health inspections and fire clearances.

D. Franchise Owner Must Notify Franchisor of Lawsuits

Franchise Owner shall notify the Franchisor in writing within five (5) days of notice of the commencement of, or against the threat of, any action, suit, or proceeding by or against Franchise Owner, and of the issuance of, or against the threat of, any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Office, including, without limitation, any criminal action or proceedings brought by Franchise Owner against its employees, customers, or other persons.

XXIV. RESTRICTIONS ON GOODS AND SERVICES OFFERED BY FRANCHISE OWNER

This Agreement provides that the Franchise Owner may not be associated either directly or indirectly with a business competitive with the Office. Further, the Franchise Owner may only provide such products and services at the Office as are permitted by the Franchisor. The Franchise Owner is not limited as to the customers to whom it may sell the products and services authorized by the Franchisor.

A Franchise Owner may not offer for sale at the Office any products or services not authorized by the Franchisor; sell any products from any location other than the Office; and may not use the Office for any other purpose than the operation of a Gasket Guy Office.

The Franchisor, from time-to-time, may conduct market research and testing to determine the viability of new products and services. A Franchise Owner must cooperate by participating in such programs and by purchasing and promoting the sale of such test products, if required by the Franchisor.

XXV. NOTICES

All written notices permitted or required to be delivered by the provisions of this Agreement or of the Manual shall be deemed so delivered three (3) days after placed in the mail, by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal address which the notifying party has on record.

XXVI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, the Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Gasket Guy franchise based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which the Franchisor deems to be of importance to the successful operation of such franchise owner's System Office. Franchise Owner shall not have any right to complain about a variation from standard specifications and practices granted to any other Franchise Owner and shall have no right to require the Franchisor to grant to Franchise Owner a like or similar variation.

XXVII. AUTHORITY

Franchise Owner or, if Franchise Owner is a corporation, partnership or other legal entity, the individuals executing this Agreement on behalf of such corporation or partnership, warrant to the Franchisor, both individually and in their capacities as partners or officers, that all owners of an Equity Interest in Franchise Owner, have read and approved this

Agreement, including any restrictions which this Agreement places upon their right to transfer their respective Equity Interests in the Franchise Owner.

XXVIII. SPECIAL REPRESENTATIONS

Franchise Owner (and each owner of an Equity Interest in Franchise Owner if Franchise Owner is a legal entity) hereby represents as follows:

A. That it has conducted an independent investigation of the Franchisor's business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchise Owner as an independent business person. The Franchisor expressly disclaims the making of, and Franchise Owner acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

B. Franchise Owner acknowledges having received, read, and understood this Agreement, including all Attachments hereto; and Franchise Owner further acknowledges that the Franchisor has accorded Franchise Owner ample time and opportunity to consult with advisors of his/her own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchise Owner acknowledges that it has received a complete copy of this Agreement, with all attachments referred to herein, and agreements relating hereto, if any, at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchise Owner further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, entitled "Information For Prospective Franchise Owners Required By The Federal Trade Commission," at least fourteen (14) calendar days prior to the date on which this Agreement was executed; and

D. Franchise Owner also acknowledges that prior to the date of this Agreement, no other Agreement was entered into, no promises were made by the Franchisor, and no funds were offered to or accepted by the Franchisor.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement the day and year first above written.

FRANCHISOR:
GASKET GUY FRANCHISE COMPANY, LLC

By: ________________________
Name: ________________________
Title: ________________________

(CORPORATE SEAL)

FRANCHISE OWNER:

____

By: ________________________
Name: ________________________
Title: ________________________

By: ________________________
Name: ________________________
Title: ________________________

(CORPORATE SEAL, if applicable)

ATTACHMENT A TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

ATTACHMENT B TO THE FRANCHISE AGREEMENT

GUARANTY OF FRANCHISE OWNER'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated______________________________, and any and all revisions, modifications and amendments thereto or renewals thereof, (hereinafter collectively the "Agreement"), by and between Gasket Guy Franchise Company, LLC, a Delaware limited liability company, for itself and for its affiliates (hereinafter, collectively, "Franchisor") and ____ (hereinafter "Franchise Owner"), each of the undersigned "Guarantors" (herein so called) agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guarantee the full, prompt and complete performance of Franchise Owner under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of Franchise Owner, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of Franchise Owner and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Franchise Owner or whether Franchise Owner is joined in any such action.

3. If the Franchise Owner is a corporation, partnership, corporation or other legal entity, Franchisor shall not be obligated to inquire into the power or authority of Franchise Owner or its officers, directors, agents, managers, representatives, employees or other persons acting or purporting to act on Franchise Owner's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, partnerships, limited liability companies or other legal entities, it shall be conclusively presumed that the Guarantors and all shareholders, partners, members and other owners of such entities, and all officers, directors, agents, managers, representatives, employees or other Persons acting on their behalf have the express authority to bind such entities and that such entities have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the Office and is in the interest of such entities.

4. Franchisor, its successors and assigns, may from time-to-time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors and assigns have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any

of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned each further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including, without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchise Owner and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, heirs, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term “the undersigned,” as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

8. Without limiting the generality of any part or all of the foregoing, the undersigned does hereby further covenant and agree that each of the undersigned are hereby bound by those certain terms, obligations, covenants and conditions of the Agreement with respect to the following:

(i) Section XVII (B) entitled “Assignment by Franchise Owner”;

(ii) Section XVII (C) entitled “Franchisor's Right of First Refusal”;

(iii) Section XVII (D) entitled “Transfer Upon Death or Mental Incapacity”;

(iv) Section XX entitled “Waiver”;

(v) Section XXI entitled “Enforcement”;

(vi) Section XXV entitled “Notices”; and

(vii) Section XXVIII entitled “Special Representations”

The undersigned each agree that the references to the “Franchise Owner” in the Sections referenced hereinabove shall include and be applicable to each of the undersigned.

9. All capitalized terms not defined herein shall have the meanings given to them in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty of Franchise Owner's Undertakings under seal effective as of the _____ day of ______________, __________________.

__________________________________(SEAL)

____
Name
____

____
____
Home Address

____

Home Telephone

____
Business Telephone

____
Date

ATTACHMENT C TO THE FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT DEBITS (ACH DEBITS)

FRANCHISE OWNER:____

FRANCHISE OWNER FEIN:____

Franchise Owner does hereby authorize Gasket Guy Franchise Company, LLC, a Delaware limited liability company (the "Company"), to initiate debit electronic funds transfers from the bank account described below (the "Account") for amounts payable by Franchise Owner to the Company pursuant to the terms of that certain Franchise Agreement between the Company and Franchise Owner dated as of ______________________, 20_____, at the financial institution named below (the "Bank"), and to initiate credit electronic funds transfers to the Account in order to correct any errors that may occur.

BANK NAME: ____

CITY:_______________________________________STATE:______________________

ABA ROUTING NUMBER:____

ACCOUNT NO.:____

This authority is to remain in full force and effect until the Company has received written notification from Franchise Owner of its termination of such authority in such time and in such manner as to afford the Company and the bank a reasonable opportunity to terminate the debit arrangement established hereby.

FRANCHISE OWNER:

____

By:____________________________
Name: __________________________
Title:____________________________

ATTACHMENT D TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT
(EQUITY INTEREST OWNERS)

FRANCHISE OWNER: ____

FRANCHISE AGREEMENT between Gasket Guy Franchise Company, LLC and ____ ___________________, dated __________________________, as same may be amended or renewed from time-to-time.

THIS CONFIDENTIALITY AGREEMENT (this "Agreement"), made as of the _____ of _________________, _______________, between Gasket Guy Franchise Company, LLC, a Delaware limited liability company, ("Franchisor") and ___________________________________ ____ ____ ("Second Party");

DEFINITIONS:

For purposes of this Agreement, the following terms shall have the following meanings:

Confidential Information. Any information or data, other than Trade Secrets, that is of value and treated as confidential by Franchisor, including, without limitation (i) Gasket Guy operations manual and (ii) any information designated as a Trade Secret by Franchisor but which is ultimately determined, under applicable law, not to constitute a "trade secret," provided that same otherwise meets the definition of Confidential Information.

Franchise Agreement. The Franchise Agreement between Franchisor and Franchise Owner referenced at the beginning of this Agreement.

Franchise Owner. The franchise owner identified as such at the beginning of this Agreement.

Trade Secrets. Any information, without regard to form, related to Franchisor and its affiliates, including technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, specifications for designated products, methods of inventory control, operational systems, management techniques, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

RECITALS:

Franchisor is in the business of licensing others to develop and operate, at specific locations pursuant to written franchise agreements, Franchised Locations that will provide a full-service Office specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other related items that are the same as, or similar to, the Franchised Business, as may evolve over time and in accordance with the proprietary system (the "System") developed and owned by Franchisor, as modified by Franchisor from time-to-time. The System includes certain trade names, service marks, trademarks, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress, interior and exterior designs and specifications, and the motif, décor and color scheme and other visual identification by which the System is identified and publicized, whether now existing or hereafter created and designated by Franchisor. Under the Franchise Agreement, Franchisor requires that Franchise Owner cause each owner of a so called "Equity Interest" in Franchise Owner to execute and deliver an agreement in the form hereof. Second Party is the Owner of an Equity Interest in Franchise Owner and acknowledges that by virtue of Second Party's relationship with Franchise Owner, Second Party may receive, otherwise obtain or have access to certain Trade Secrets and Confidential Information in which Franchisor has a protectable interest. Accordingly, Franchisor desires to prevent Second Party from disclosing any such Trade Secrets and Confidential Information as hereinafter provided.

NOW, THEREFORE, for and in consideration of the foregoing Definitions and Recitals, which are incorporated herein as a material part of this Agreement, and the covenants contained herein, and other valuable consideration, the parties agree as follows:

1.
DISCLOSURE OF INFORMATION

1.1 Business. Second Party recognizes and acknowledges that Franchise Owner will develop and operate, or has developed and is now operating, a location of Gasket Guy Office in accordance with the System and that such activities have involved, and continue to involve, the entrustment to Second Party of confidential, restricted and proprietary information of Franchisor, including Trade Secrets and Confidential Information.

1.2 Transfer of Equity Interest. Second Party hereby acknowledges its receipt of a copy of the Franchise Agreement and agrees to be bound by the provisions of Section XVII. thereof regarding the transfer of interests in Franchise Owner.

1.3 Covenant Not to Disclose Trade Secrets. Except to the extent it is necessary to use such information or data in the performance of Franchise Owner's express obligations under the Franchise Agreement, for so long as Second Party shall remain the owner of an Equity Interest in Franchise Owner or any subsidiary or affiliate of Franchise Owner and for so long afterwards as the information or data remain Trade Secrets, Second Party shall not publish, disclose, transfer, release or divulge, directly or indirectly, all or any part of any Trade Secrets to any person.

1.4 Covenant Not to Disclose Confidential Information. Except to the extent it is necessary to use such information or data in the performance of Franchise Owner's express obligations under the Franchise Agreement, Second Party shall not, (i) for so long during the term of the Franchise Agreement as Second Party shall remain the owner, directly or indirectly, of an Equity Interest in Franchise Owner and (ii) for a continuous uninterrupted period of two (2) years commencing upon the first to occur of (a) the date on which Second Party ceases to be the owner, directly or indirectly, of an Equity Interest in Franchise Owner or (b) the date of expiration or termination of the Franchise Agreement (regardless of the cause for termination), publish, disclose, transfer, release or divulge, directly or indirectly, all or any part of any Confidential Information (whether or not the Confidential Information is in written or tangible form) to any person.

1.5 Additional Covenants

(a) Second Party agrees not to permit any unauthorized reproduction of all or any part of any Confidential Information or Trade Secrets.

(b) Second Party agrees not to utilize any Confidential Information or Trade Secrets other than for the benefit of Franchise Owner.

(c) Second Party agrees to observe all security policies implemented by Franchise Owner, from time-to-time, with respect to any Confidential Information and Trade Secrets.

(d) Second Party acknowledges and agrees that all Confidential Information and Trade Secrets are and shall remain the property of Franchisor. Nothing in this Agreement or any course of conduct between Franchise Owner and Second Party shall be deemed to grant Second Party any rights in or to all or any portion of the Confidential Information or Trade Secrets.

(e) At such time as Second Party ceases to be the owner of an Equity Interest in Franchise Owner, Second Party shall immediately deliver to Franchise Owner or to Franchisor, at its request (i) all memoranda, notes, records, drawings, manuals or other documents and all copies thereof pertaining to the business of Franchisor and (ii) all materials involving Confidential Information or Trade Secrets, including, but not limited to, Gasket Guy operations manual. This provision is intended to apply to all such materials made or compiled by Second Party, as well as all such materials furnished to Second Party by anyone else in connection with his or her relationship with Franchise Owner as an owner.

1.6 Value. The Confidential Information and Trade Secrets constitute valuable, special and unique assets of Franchisor and any disclosure contrary to the terms of this Agreement would cause substantial loss of competitive advantage and other serious injury to Franchisor and its franchise owners under the System, including Franchise Owner.

1.7 Severability. The covenants contained in this Section 1 shall be construed as agreements severable from and independent of each other and of any other provision of this or any other contract or agreement between the parties hereto. The existence of any claim or cause of action by Second Party against Franchisor or Franchise Owner, whether predicated upon this or any other contract or agreement, shall not constitute a defense to the enforcement by Franchisor of said covenants.

1.8 Injunction. Second Party recognizes and agrees that the injury Franchise Owner and/or Franchisor will suffer in the event of Second Party's breach of any covenant or agreement contained in this Section 1 cannot be compensated by monetary damages alone, and Second Party therefore agrees that in the event of a breach or threatened breach by Second Party of any of the provisions of this Section 1, Franchise Owner and Franchisor, in addition to and not in limitation of, any other rights, remedies or damages available to Franchise Owner and Franchisor at law, in equity, under this Agreement or otherwise, shall each be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Second Party. Neither Franchise Owner nor Franchisor shall be required to post a bond in excess of $1,000 or other security with respect to obtaining any such equitable relief. Second Party shall pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Franchise Owner or Franchisor in enforcing their respective rights under this Agreement.

2. MISCELLANEOUS

2.1 Use of Definitions. The use of another tense of the defined term, or its use as a noun, adjective or adverb, or otherwise, means the same as the defined term, modified by the context of the sentence in which it is used.

2.2 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their successors and permitted assigns. Franchisor may assign its rights and obligations under this Agreement to any person without the consent of Second Party. Second Party may not assign any of Second Party's rights or obligations under this Agreement.

2.3 Survival. The obligations of Second Party shall survive the expiration or termination of the Franchise Agreement (regardless of the cause of termination) and Second Party's transfer or assignment of Second Party's so called “Equity Interest” in Franchise Owner.

2.4 Entire Agreement. This Agreement contains the entire agreement of the parties. It may not be changed orally but only by an amendment in writing signed by the party against whom enforcement is sought. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any continuing or subsequent breach of that provision or of any other provision of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Gasket Guy Office operated by Franchise Owner pursuant to the Franchise Agreement is located.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first above written.

LICENSEE:

FRANCHISOR:

GASKET GUY FRANCHISE COMPANY, LLC

By: ________________________ (SEAL)

Name: ________________________

Title: ________________________

SECOND PARTY:

SECOND PARTY:

______________________________ (SEAL)

Name: ________________________

ATTACHMENT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT
(EMPLOYEES)

THIS CONFIDENTIALITY AGREEMENT (this "Agreement"), made as of the ________________________________ day of ____________________, _______________, among ____ ("Franchise Owner") which entered into that certain Franchise Agreement with Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") dated _________________________, as same may be amended or renewed from time-to-time (the "Franchise Agreement") and ____ ("Second Party");

DEFINITIONS:

For this Agreement, the following terms shall have the following meanings:

Confidential Information. Any information or data, other than Trade Secrets, that is of value and treated as confidential by Franchisor, including, without limitation (i) Gasket Guy operations manual and (ii) any information designated as a Trade Secret by Franchisor but which is ultimately determined, under applicable law, not to constitute a "trade secret," provided that same otherwise meets the definition of Confidential Information.

Trade Secrets. Any information, without regard to form, related to Franchisor and its affiliates, including technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, methods of inventory control, operational systems, management techniques, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

RECITALS:

Franchisor is in the business of licensing others to develop and operate, at specific locations pursuant to written franchise agreements, Franchised Locations that will provide a full service Office specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other items that are the same as, or similar to, the Franchised Business, as it may evolve over time, and in accordance with the proprietary system (the "System") developed and owned by the Franchisor, and other products and services in accordance with the System, as modified by Franchisor from time-to-time. The System includes certain trade names, service marks, trademarks, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress, interior and exterior designs and specifications, and the motif, décor and color scheme and other visual identification by which the System is identified and publicized, whether now existing or hereafter created and designated by Franchisor. Under the Franchise Agreement, Franchisor requires that a properly executed agreement in the form hereof be obtained by Franchise Owner from each of Franchise Owner's general manager and assistant managers, and in addition, from any other employees of Franchise Owner to whom any of Franchisor's Trade Secrets or Confidential Information may be disclosed, subject in any event to the restrictions on disclosure set forth in the Franchise Agreement. Second Party is an employee of Franchise Owner and acknowledges that by virtue of Second Party's relationship with Franchise Owner, Second Party may receive, otherwise obtain or have access to certain Trade Secrets and Confidential Information in which Franchisor has a protectable interest. Accordingly, Franchise Owner and Franchisor desire to prevent Second Party from disclosing any such Trade Secrets and Confidential Information as hereinafter provided.

NOW, THEREFORE, for and in consideration of the foregoing Definitions and Recitals, which are incorporated herein as a material part of this Agreement, and the covenants contained herein, and other valuable consideration, the parties agree as follows:

1.
DISCLOSURE OF INFORMATION

1.1 Business. Second Party recognizes and acknowledges that Franchise Owner will develop and operate, or has developed and is now operating, a Gasket Guy Office in accordance with the System and that such activities have involved, and continue to involve, the entrustment to Second Party and certain other employees of Franchise Owner of confidential, restricted and proprietary information of Franchisor, including Trade Secrets and Confidential Information.

1.2 Covenant Not to Disclose Trade Secrets. Except to the extent it is necessary to use such information or data in the performance of Franchise Owner's express obligations under the Franchise Agreement, for so long as Second Party shall remain an employee of Franchise Owner and for so long afterwards as the information or data remain Trade Secrets, Second Party shall not publish, disclose, transfer, release or divulge, directly or indirectly, all or any part of any Trade Secrets to any person.

1.3 Covenant Not to Disclose Confidential Information. Except to the extent it is necessary to use such information or data in the performance of Franchise Owner's express obligations under the Franchise Agreement, Second Party shall not, (i) for so long during the term of the Franchise Agreement as Second Party shall remain an employee of Franchise Owner and (ii) for a continuous uninterrupted period of two (2) years commencing upon the first to occur of (a) the date on which Second Party ceases to be an employee of Franchise Owner or (b) the date of expiration or termination of the Franchise Agreement (regardless of the cause for termination), publish, disclose, transfer, release or divulge, directly or indirectly, all or any part of any Confidential Information (whether or not the Confidential Information is in written or tangible form) to any person.

1.4 Additional Covenants.

(a) Second Party agrees not to permit any unauthorized reproduction of all or any part of any Confidential Information or Trade Secrets.

(b) Second Party agrees not to utilize any Confidential Information or Trade Secret other than for the benefit of Franchise Owner and to utilize same solely in connection with his or her employment and for no other reason.

(c) Second Party agrees to observe all security policies implemented by Franchise Owner, from time-to-time, with respect to any Confidential Information and Trade Secrets.

(d) Second Party acknowledges and agrees that all Confidential Information and Trade Secrets are and shall remain the property of Franchisor. Nothing in this Agreement or any course of conduct between Franchise Owner and Second Party shall be deemed to grant Second Party any rights in or to all or any portion of the Confidential Information or Trade Secrets.

(e) Second Party acknowledges that this Agreement does not create any obligation on Franchise Owner to continue to employ Second Party for any period.

(f) At such time as Second Party ceases to be an employee of Franchise Owner, Second Party shall immediately deliver to Franchise Owner (i) all memoranda, notes, records, drawings, manuals or other documents and all copies thereof pertaining to the business of Franchisor and (ii) all materials involving Confidential Information or Trade Secrets, including, but not limited to, Gasket Guy operations manual. This provision is intended to apply to all such materials made or compiled by Second Party, as well as all such materials furnished to Second Party by anyone else in connection with his or her relationship with Franchise Owner as an employee.

1.5 Value. The Confidential Information and Trade Secrets constitute valuable, special and unique assets of Franchisor and any disclosure contrary to the terms of this Agreement would cause substantial loss of competitive advantage and other serious injury to Franchisor and its franchise owners under the System, including the Franchise Owner.

1.6 Severability. The covenants contained in this Section 1 shall be construed as agreements severable from and independent of each other and of any other provision of this or any other contract or agreement between the parties hereto. The existence of any claim or cause of action by Second Party against Franchise Owner, whether predicated upon this or any other contract or agreement, shall not constitute a defense to the enforcement by Franchisor or Licensee of said covenants.

1.7 Injunction. Second Party recognizes and agrees that the injury Franchise Owner and/or Franchisor will suffer in the event of Second Party's breach of any covenant or agreement contained in this Section 1 cannot be compensated by monetary damages alone, and Second Party therefore agrees that in the event of a breach or threatened breach by Second Party of any of the provisions of this Section 1, Franchise Owner and Franchisor, in addition to and not in limitation of, any other rights, remedies or damages available to Franchise Owner or Franchisor at law, in equity, under this Agreement or otherwise, shall each be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Second Party. Neither Franchise Owner nor Franchisor shall be required to post a bond in excess of $1,000 or other security with respect to obtaining any such equitable relief. Second Party shall pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Franchise Owner or Franchisor in enforcing their respective rights under this Agreement.

2.
MISCELLANEOUS

2.1 Use of Definitions. The use of another tense of the defined term, or its use as a noun, adjective or adverb, or otherwise, means the same as the defined term, modified by the context of the sentence in which it is used.

2.2 Third Party Beneficiary. The Second Party hereby acknowledges and agrees that: (a) Franchisor requires Franchise Owner to obtain this Agreement from certain of its employees; (b) that Franchisor is a third party beneficiary of this Agreement; and (c) that Franchisor shall have the same rights and remedies as Franchise Owner to enforce the terms of this Agreement.

2.3 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their successors and permitted assigns. Franchisor may assign its rights and obligations under this Agreement to any person without the consent of Franchise Owner or Second Party. Second Party may not assign any of Second Party's rights or obligations under this Agreement.

2.4 Survival. The obligations of Second Party shall survive the expiration or termination of the Franchise Agreement (regardless of the cause of termination) and Second Party's employment with Franchise Owner.

2.5 Entire Agreement. This Agreement contains the entire agreement of the parties. It may not be changed orally but only by an amendment in writing signed by the party against whom enforcement is sought. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any continuing or subsequent breach of that provision or of any other provision of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Gasket Guy Office operated by Franchise Owner pursuant to the Franchise Agreement is located.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first above written.

FRANCHISE OWNER:

By: ____________________________ (SEAL)

Name:__________________________________

Title:___________________________________

SECOND PARTY:

______________________________ (SEAL)

Name: _________________________________

ATTACHMENT F TO THE FRANCHISE AGREEMENT

NONCOMPETITION AGREEMENT
(EQUITY INTEREST OWNERS)

FRANCHISE OWNER: ____

FRANCHISE AGREEMENT between Gasket Guy Franchise Company, LLC and ____ dated _______________________, as same may be amended or renewed from time-to-time.

Street Address of the Office: ____

THIS NONCOMPETITION AGREEMENT (this "Agreement"), made as of the _____ day of ____________, ______, between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ____ ____ ____("Second Party");

DEFINITIONS:

For purposes of this Agreement, the following terms shall have the following meanings:

Confidential Information. Any information or data, other than Trade Secrets, that is of value and treated as confidential by Franchisor, including, without limitation (i) Gasket Guy operations manual and (ii) any information designated as a Trade Secret by Franchisor but which is ultimately determined, under applicable law, not to constitute a "trade secret," provided that same otherwise meets the definition of Confidential Information.

Franchise Agreement. The Franchise Agreement between Franchisor and Franchise Owner referenced at the beginning of this Agreement.

Franchise Owner. The franchise owner identified as such at the beginning of this Agreement.

Location. The location of the Office having the street address indicated at the beginning of this Agreement.

The Office. The Gasket Guy Office (as defined below) which is the subject of the Franchise Agreement at the Location.

Trade Secrets. Any information, without regard to form, related to Franchisor and its affiliates, including technical or non-technical data, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, methods of inventory control, operational systems, management techniques, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

RECITALS:

Franchisor is in the business of licensing others to develop and operate, at specific locations pursuant to written franchise agreements, Offices (each “Gasket Guy Office”) that will provide a full service Office specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other items that are the same as, or similar to, the Office, as may evolve over time, and in accordance with the proprietary system (the “System”) developed and owned by Franchisor, other products and services in accordance with the System developed and owned by Franchisor, as modified by Franchisor from time-to-time. The System includes certain trade names, service marks, trademarks, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress, interior and exterior designs and specifications, and the motif, décor and color scheme and other visual identification by which the System is identified and publicized, whether now existing or hereafter created and designated by Franchisor (collectively, the “Marks”).

Under the Franchise Agreement, Franchisor requires that Franchise Owner cause each owner of an Equity Interest in Franchise Owner to execute and deliver an agreement in the form hereof. Second Party is the owner of an Equity Interest in Franchise Owner and acknowledges that the experience, training and assistance offered by Franchisor under the Franchise Agreement, and Second Party's close contact with and knowledge of the System, could permit Second Party to take unfair and undue advantage of Franchisor and Franchise Owner by competing with Franchise Owner (and other franchise owners of Franchisor under the System) during and after the period Second Party is the owner of an Equity Interest in Franchise Owner. Second Party also acknowledges that the System as a whole, and the collective experience and expertise of Franchisor and Franchise Owner, constitute a protectable interest of Franchisor. Accordingly, Franchisor desires to prevent Second Party from unfairly competing with Franchise Owner (and other franchise owners of Franchisor under the System) as hereinafter provided.

NOW, THEREFORE, for and in consideration of the foregoing Definitions and Recitals, which are incorporated herein as a material part of this Agreement, and the covenants contained herein, and other valuable consideration, the parties agree as follows:

1.
COVENANT NOT TO COMPETE

1.1 Business. Second Party recognizes and acknowledges that Franchise Owner will develop and operate, or has developed and is now operating, the Office pursuant to the System. Gasket Guy Offices are identified and distinguished by the high quality of their products and services, by uniform standards and procedures of operation, and by the Marks.

1.2 Transfer of Equity Interest. Second Party hereby acknowledges its receipt of a copy of the Franchise Agreement and agrees to be bound by the provisions of Section XIX thereof regarding the transfer of interests in Franchise Owner.

1.3 Noncompetition

Second Party shall not, during the term of the Franchise Agreement, and for so long during the term of the Franchise Agreement as Second Party shall remain the owner of an Equity Interest in Franchise Owner, on Second Party's own account or as a shareholder, partner, member or other owner, officer, director, manager, agent, representative, employee or consultant of any person (including, without limitation, any entity) own, operate, lease, franchise, license, conduct, engage in, be connected with, have any interest in, or assist any person (including, without limitation, any entity) engaged in any business enterprise which operates a business specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other related items that are the same as, or similar to, the Franchised Business, as may evolve over time, and in accordance with the proprietary system (the "System") developed and owned by Franchisor, and other products or services and which is located at the Location.

Second Party shall not, for a continuous uninterrupted period of two (2) years commencing upon the first to occur of (i) the date on which the Second Party ceases to be the owner of an Equity Interest in Franchise Owner or (ii) the date of expiration or termination of the Franchise Agreement (regardless of the cause for termination), on Second Party's own account or as a shareholder, partner, member or other owner, officer, director, manager, agent, representative, employee or consultant of any person (including, without limitation, any entity) own, operate, lease, franchise, license, conduct, engage in, be connected with, have any interest in, or assist any person (including, without limitation, any entity) engaged in any business enterprise which operates a business specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other related items that are the same as, or similar to, the Office (the "System") developed and owned by Franchisor, and other products or services and which are located at the Office or within a radius of twenty (20) miles of (i) the Office, (ii) the geographical boundaries of the Territory; and (iii) any other franchisee, company-owned, or affiliate-owned location.

Second Party shall not, for a continuous uninterrupted period of two (2) years commencing upon the first to occur of (i) the date on which the Second Party ceases to be the owner of an Equity Interest in Franchise Owner or (ii) the date of expiration or termination of the Franchise Agreement (regardless of the cause for termination), on Second Party's own account or as a shareholder, partner, member or other owner, officer, director, manager, agent, representative, employee or consultant of any person (including, without limitation, any entity), (a) solicit, contact or do business with any customer for the purpose of selling any product or service which is similar to or competitive with any product or service offered by Franchisor, or its respective affiliates, franchisees or licensees or otherwise interfere with or take away customers or the business of any customer or in any way attempt to reduce the business which any customer does with Franchisor, or its respective affiliates, franchisees or licensees; and (b) solicit, entice or induce, directly or indirectly, any employee of Franchisor, or its respective affiliates, franchisees or licensees to leave their employment to work for Franchise Owner or with any person or entity with whom or with which Franchise Owner is or becomes affiliated.

1.4 Inapplicability of Restrictions. Section 1.3 shall not apply to the ownership by Second Party of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

1.5 Modification of Covenants. Second Party understands, acknowledges and agrees that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth herein or any portion thereof, without Second Party's consent, effective immediately upon receipt by Second Party of written notice thereof, and Second Party agrees to forthwith comply with any covenant as so modified.

1.6 Severability. The covenants contained in this Section 1 shall be construed as agreements severable from and independent of each other and of any other provision of this or any other contract or agreement between the parties hereto. The existence of any claim or cause of action by Second Party against Franchisor or Franchise Owner, whether predicated upon this or any other contract or agreement, shall not constitute a defense to the enforcement by Franchisor of said covenants.

1.7 Injunction. Second Party recognizes and agrees that the injury Franchise Owner and/or Franchisor will suffer in the event of Second Party's breach of any covenant or agreement contained in this Section 1 cannot be compensated by monetary damages alone, and Second Party therefore agrees that in the event of a breach or threatened breach by Second Party of any of the provisions of this Section 1, Franchise Owner and Franchisor, in addition to and not in limitation of, any other rights, remedies or damages available to Franchise Owner and Franchisor at law, in equity, under this Agreement or otherwise, shall each be entitled to seek an injunction from any court of competent jurisdiction in order to prevent or restrain any such breach by Second Party. Neither Franchise Owner nor Franchisor shall be required to post a bond in excess of $1,000 or other security with respect to obtaining any such equitable relief. Second Party shall pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Franchise Owner or Franchisor in enforcing their respective rights under this Agreement.

1.8 Reasonability. Second Party acknowledges and agrees that the type and period of restrictions imposed by all of the covenants in this Section 1 are fair and reasonable and that such limitations and restrictions will not prevent Second Party from earning a livelihood. If the scope of any limitations and restrictions imposed by the covenants in this Section 1 are too broad to permit enforcement thereof as written, then such limitations or restrictions shall be enforced to the maximum extent permitted by law, and Second Party and Franchisor hereby expressly consent and agree that such scope may be judicially modified accordingly in any proceeding brought to enforce such limitations or restrictions.

2.
MISCELLANEOUS

2.1 Use of Definitions. The use of another tense of the defined term, or its use as a noun, adjective or adverb, or otherwise, means the same as the defined term, modified by the context of the sentence in which it is used.

2.2 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their successors and permitted assigns. Franchisor may assign its rights and obligations under this Agreement to any person without the consent of Second Party. Second Party may not assign any of Second Party's rights or obligations under this Agreement.

2.3 Survival. The obligations of Second Party shall survive the expiration or termination of the Franchise Agreement (regardless of the cause of termination), and Second Party's transfer or assignment of Second Party's so called "Equity Interest" in Franchise Owner.

2.4 Entire Agreement. This Agreement contains the entire agreement of the parties. It may not be changed orally but only by an amendment in writing signed by the party against whom enforcement is sought. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any continuing or subsequent breach of that provision or of any other provision of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Office operated by Franchise Owner pursuant to the Franchise Agreement is operated.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the day and year first above written.

FRANCHISOR:

GASKET GUY FRANCHISE COMPANY, LLC

By: ____________________________ (SEAL)
Name: _________________________________
Title: __________________________________

SECOND PARTY:

________________________________ (SEAL)
Name: ________________________________

ATTACHMENT G TO THE FRANCHISE AGREEMENT

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Gasket Guy Franchising").

Background Statement: [describe circumstances of Release]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Gasket Guy Franchising, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or another forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Gasket Guy Franchising reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

Agreed to by:

____
Name: ________________________
Date: _________________________

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

FOR

GASKET GUY FRANCHISE COMPANY, LLC

TABLE OF CONTENTS

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this _____ day of ______________, 20__, (the "Effective Date") by and between Gasket Guy Franchise Company, LLC, a Delaware limited liability company (the "Company"), and ____, (the "Area Developer");

W I T N E S E T H:

WHEREAS, the Company is the owner and operator of certain proprietary and other property rights and interests in and to the "Gasket Guy" name and such other trademarks, trade names, service marks, logotypes, insignias, trade dress and designs (the "Proprietary Marks") used in connection with the development, operation and maintenance of Offices (each an "Office" and collectively, "Offices") featuring an Office specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and such other products and services as the Company may authorize from time to time (the "Franchised Business"),

WHEREAS, the Company has originated, developed and perfected a unique and successful system for the establishment and operation of Offices, which system includes, but is not limited to, site selection, a unique and readily recognizable design, color scheme, decor, layout and signage for the business premises, inventory, equipment selection and installation, accounting and bookkeeping methods, merchandising, advertising and promotional techniques, personnel training and a confidential manual (the "Manual") of operating procedures containing specially conceived and designed methods for Office operations (the "System"); and

WHEREAS, the Company desires to expand and develop the Franchised Business and seeks sophisticated and efficient multi-unit Area Developers who will develop numerous Offices for the Franchised Business within designated areas; and

WHEREAS, Area Developer desires to build and operate Offices, and the Company desires to grant to Area Developer the right to build and operate Offices in accordance with the terms and upon the conditions contained in this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

I
GRANT OF AREA DEVELOPMENT RIGHTS

1.1 Grant of Area Development Rights

The Company hereby grants to Area Developer, and Area Developer hereby accepts, the non-exclusive right to enter into our standard form of franchise agreement then being offered to prospective Area Developers under the System (the "Franchise Agreement"), during the Term (as defined below), to develop, construct, equip, open and operate Offices in the Development Area (as defined below), upon the terms and subject to the conditions of this Agreement.

This Agreement is not a Franchise Agreement and Area Developer does not have the right to use the Proprietary Marks or System in any manner by virtue hereof. Each Office will be governed by a Franchise Agreement entered into by the Company and Area Developer for each Office in accordance with the terms and conditions of this Agreement.

II
AREA DEVELOPER'S DEVELOPMENT OBLIGATION

2.1 Development Obligation

Area Developer hereby agrees to construct, equip, open and thereafter continue to operate within the Development Area not less than the cumulative number of Offices set forth on Exhibit "A" which is attached hereto and by this reference made a part hereof, within each of the time periods (the "Development Periods") specified therein (the "Development Obligation").

2.2 Force Majeure

Should Area Developer be unable to meet the Development Obligation solely as the result of Force Majeure (herein so called), including, but not limited to, strikes, material shortages, fires, floods, earthquakes, and other acts of God, or by force of law (including, but not limited to, any legal disability of the Company to deliver the Franchise Disclosure Document (as defined below) pursuant to Section 6.1 of this Agreement), which results in the inability of Area Developer to construct or operate Office(s) in the Development Area, and which Area Developer could not by the exercise of due diligence have avoided, the Development Periods shall be extended by the amount of time during which such Force Majeure shall exist.

III
DEVELOPMENT AREA

3.1 Description of Development Area

If Area Developer complies with the terms of this Agreement, including, without limitation, the Development Obligation, and if Area Developer complies with the Franchise Agreement entered into for each Office, then, during the Term, the Company shall not operate, or license any other person to operate, an Office within the area set forth and described on Exhibit "B" which is attached hereto and by this reference made a part hereof (the "Development Area"). Notwithstanding the foregoing, the Company hereby reserves the right to:

(a) Establish or license others to establish Offices or provide similar or competitive products or services under marks other than the Proprietary Marks within or without the Development Area and regardless of proximity to any Office within the Development Area;

(b) Offer or sell products or services under the Proprietary Marks or any other marks through other retail locations, including, without limitation, in-line, kiosk or concessionaire locations within or without the Development Area;

(c) Offer or sell any products or services under the Proprietary Marks or any other marks, through any other channel of distribution, such as the internet, mail order, catalogue or direct marketing, within or without the Development Area;

(d) Advertise and market the System anywhere at any time; and

(e) Establish, either directly or through an affiliate of the Company or by licensing others, Offices at any site the Company deems appropriate outside of the Development Area, regardless of the proximity to the boundaries of the Development Area. The Company makes no representation or warranty that Area Developer will have any right to participate in such licenses.

IV
TERM OF AREA DEVELOPMENT AGREEMENT

4.1 Term

The term of this Agreement (the "Term") shall commence on the Effective Date and, unless sooner terminated in accordance with the provisions herein, or extended as provided in Section 2.2, shall expire when the last Office to be developed pursuant to the Development Obligation is open for business.

4.2 Renewal

Area Developer shall have no right to renew this Agreement.

4.3 Limited Additional Development Right

If the Company determines, in its sole and absolute discretion, that further development of the Development Area is desirable, the Company shall have the right (but not the obligation) to notify Area Developer in writing prior to expiration of the Term of the Company's determination to develop additional Offices in the Development Area and a plan for such development (the "Company Notice"). Upon delivery of the Company Notice by the Company to the Area Developer, but subject, nevertheless, to the conditions set forth in Section 4.5 of this Agreement, Area Developer shall have a prior right to undertake the additional development which the Company shall have set forth in the Company Notice to Area Developer. This right of additional development by Area Developer shall be exercised only in accordance with Section 4.4 and is subject to the conditions set forth in Section 4.5. If the Company Notice is given to Area Developer and if such right of additional development is not exercised by Area Developer in accordance with this Agreement, Area Developer shall be deemed to have waived such right of additional development, and such right of additional development shall automatically terminate and be of no further force or effect, and the Company or any Area Developer of the Company may thereupon construct, equip, open and operate additional Offices in the Development Area without any liability to Area Developer of any kind whatsoever with respect to additional development in the Development Area.

4.4 Exercise of Right of Additional Development

If the Company delivers the Company Notice to Area Developer, the Company shall also deliver to Area Developer (and all other required persons or entities) a copy of the Company's then-current Franchise Disclosure Document or its equivalent as may be required by applicable law (the "Franchise Disclosure Document"), together with execution counterparts of the Company's then-current area development agreement and execution counterparts of such other ancillary agreements as may be required by the Company. "Then-current," as used in this Agreement and applied to the Franchise Disclosure Document and any area development agreement, shall mean the form then-currently provided to prospective Area Developers, or if not then being so provided, then such form selected by the Company, in its sole and absolute discretion, which previously has been delivered to and executed by Area Developer. The new area development agreement, which may vary substantially from this Agreement, will reflect Area Developer's new development obligation consistent with the Company's plan for additional development set forth in the Company Notice to Area Developer. Area Developer shall be deemed to have exercised Area Developer's right of additional development (described in Section 4.3) if, within thirty (30) days after Area Developer's receipt of the Franchise Disclosure Document, execution counterparts of the new area development agreement and all other ancillary agreements, but no sooner than immediately after any applicable waiting periods prescribed by law ("Disclosure Period") have passed, Area Developer executes and delivers, and/or causes to be executed and delivered to the Company, counterparts of the new area development agreement and other ancillary agreements described in the Franchise Disclosure Document. If Area Developer so executes and returns the new area development agreement and other ancillary agreements to the Company within said thirty (30) day period and satisfies all of the conditions set forth in Section 4.5, the Company will execute the agreements and return one fully executed copy of same to Area Developer.

4.5 Conditions to Exercise of Right of Additional Development

If the Company elects to give the Company Notice to Area Developer as aforesaid, Area Developer's right to additional development within the Development Area described in Section 4.3 shall be further subject to Area Developer's fulfillment of the following conditions precedent:

(a) Area Developer shall have fully performed all of its obligations under this Agreement and all other agreements between the Company and Area Developer, including, without limitation, all Franchise Agreements entered into by the Company and Area Developer pursuant to this Agreement.

(b) Area Developer shall have demonstrated to the satisfaction of the Company, in its sole and absolute discretion, Area Developer's financial capacity to perform the additional development obligations set forth in the new area development agreement. In determining if Area Developer is financially capable, the Company will apply the same criteria to Area Developer as it applies to prospective Area Developers at that time.

(c) Upon expiration of the Term, Area Developer shall continue to operate, in the Development Area, not less than the aggregate number of Offices required by the Development Obligation set forth in Exhibit “A”.

V
PAYMENTS BY AREA DEVELOPER

5.1 Area Development Fee

The Area Development Fee to be remitted by Area Developer to the Company is set forth on Exhibit “C” attached hereto and by this reference made a part hereof. The Area Development Fee is deemed fully earned upon receipt and is non-refundable.

VI
EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

6.1 Site Approval, Submission of Franchise Disclosure Document, Execution of Franchise Agreement

(a) After Area Developer has located a proposed site for construction of an Office, Area Developer shall submit to the Company such information regarding the proposed site as the Company shall require and in the form which the Company shall require, together with the terms of any proposed lease relating to such site. The Company may request such additional information as it deems necessary, and Area Developer shall respond promptly to such requests for additional information. The Company's approval of a proposed site will be evidenced by the Company entering into the then-current form of Franchise Agreement and the then-current form of agreement required by the Company to supplement or amend the Franchise Agreement in order to describe the approved site (a “Site Location Addendum”), and such approval will be given (if at all) after the Company has (i) reviewed all information required to be submitted by Area Developer regarding the proposed site and (ii) in the Company's discretion visited the proposed site.

(b) With respect to each Office to be developed under this Agreement, Area Developer shall, on or before one hundred fifty (150) days prior to expiration of the applicable Development Period, enter into the then current Franchise Agreement and such other ancillary agreements (including, without limitation, a Site Location Addendum) as may be required by the Company; provided, however, the initial franchise fee to be remitted to the Company for each Office shall remain the same as set forth in Exhibit “C” attached to this Agreement.

(c) Prior to entering into a Franchise Agreement and a Site Location Addendum, the Company shall transmit to Area Developer the Franchise Disclosure Document, together with execution counterparts of the Company's then-current Franchise Agreement and such other ancillary agreements as may be required by the Company pertaining to the proposed site and providing for a non-exclusive but protected territory surrounding said Office, determined by the Company in good faith, in accordance with the Company's then-current policies and standards for territories. Immediately upon receipt of the Franchise Disclosure Document, Area Developer (and all other required persons or entities) shall return to the Company a signed copy of the Receipt of the Franchise Disclosure Document. After the passage of any applicable Disclosure Period, Area Developer shall execute and deliver, and/or cause to be executed and delivered, to the Company counterparts of said Franchise Agreement and all other ancillary agreements required by the Company (including, without limitation, the Site Location Addendum), together with the initial franchise fee required pursuant to this Agreement. The Company shall, promptly upon receipt of said documents and initial franchise fee, execute and return to Area Developer one fully executed copy of the Franchise Agreement and other ancillary agreements. Notwithstanding the foregoing, if the Company is not legally able to deliver the Franchise Disclosure Document to Area Developer by reason of any lapse or expiration of its franchise registration, or because the Company is in the process of amending any such registration, or for any reason beyond the Company's reasonable control, the Company may delay approval of the proposed site for Area Developer's proposed Office until such time as the Company is legally able to deliver the Franchise Disclosure Document.

6.2 Condition Precedent to Company's Obligations

It shall be a condition precedent to the Company's obligations pursuant to Section 6.1, that Area Developer shall have performed all of Area Developer's obligations under and pursuant to this Agreement and all other agreements between Area Developer and the Company.

VII
ASSIGNABILITY AND SUBFRANCHISING

7.1 Assignability by Company

The Company shall have the right to assign this Agreement, or any of its rights and privileges hereunder, to any other person or entity without Area Developer's prior consent.

7.2 No Subfranchising by Area Developer

Area Developer shall not offer, sell, or negotiate the sale of Gasket Guy franchises to any third party, either in Area Developer's own name or in the name and on behalf of the Company, or otherwise subfranchise, share, divide or partition this Agreement, and nothing in this Agreement shall be construed as granting Area Developer the right to do so.

7.3 Assignment by Area Developer

(a) The rights and duties created by this Agreement are personal to Area Developer. Accordingly, except as otherwise permitted herein, neither Area Developer nor the owner of any stock, membership interest, partnership interest or other equity interest (“Equity Interest”) in Area Developer shall, without the prior written consent of the Company, directly or indirectly, sell, assign, transfer (including, without limitation, any transfer occurring by inter vivos transfer or, upon death, by testamentary disposition or pursuant to the laws of intestate succession), convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement or any Equity Interest in Area Developer. Any such purported transfer or assignment occurring by operation of law or otherwise without the prior written consent of the Company shall constitute a breach of this Agreement by Area Developer and shall be null and void. Any such transfer or assignment shall be subject, in any event, to the right of first refusal in favor of the Company set forth in Section 7.4 of this Agreement.

(b) Should the Company not elect to exercise its said right of first refusal, the Company's consent to such transfer or assignment, but not to the partition, sharing or dividing of rights under this Agreement, shall not be unreasonably withheld; provided, however, the Company may impose any reasonable condition(s) to the granting of its consent. Without limiting the generality of the foregoing, the imposition of any or all of the following conditions to its consent to any such transfer or assignment shall be deemed to be reasonable:

(i) that the assignee (or, in the case of an entity assignee, the shareholders, members, partners or other equity interest holders of the assignee) demonstrate that they have the skills, qualifications and economic resources necessary, in the Company's judgment, reasonably exercised, to develop, construct, equip, open and operate the Offices contemplated by this Agreement, and by all other agreements between the Company and such assignee, and all agreements (including, without limitation, Franchise Agreements entered into pursuant to this Agreement) proposed to be assigned to such assignee;

(ii) that the assignee enters into a written assignment, in form and substance satisfactory to the Company, pursuant to which such assignee assumes and agrees to discharge all rights and obligations of Area Developer under this Agreement and all Franchise Agreements entered into pursuant to this Agreement;

(iii) that Area Developer pay to the Company any and all transfer fees that may be required by each Franchise Agreement executed pursuant hereto;

(iv) that Area Developer, and each owner of an Equity Interest in Area Developer, execute a general release, the consideration for which shall be the consent to the assignment, in form and substance satisfactory to the Company, of any and all claims against the Company and all of the Company's subsidiaries and affiliates (collectively, "Company's Affiliates"), and their respective shareholders, members, partners and other equity interest holders, officers, directors, managers, agents, representatives, successors and assigns, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, to the extent permitted by law;

(v) that as of the date of any such assignment, the assignor shall have fully complied with all of its obligations to the Company, whether under this Agreement or any other agreement (including, without limitation, Franchise Agreements entered into pursuant to this Agreement or otherwise), arrangement or understanding with the Company;

(vi) that assignee is not then in default of any of such assignee's obligations to the Company, whether pursuant to a Franchise Agreement or other agreement with the Company;

(vii) that the assignee shall pay to the Company a transfer fee equal to $5,000.00 which is reasonably required to cover the Company's expenses relating to said assignment (such fee being in addition to any transfer fee required to be paid under any Franchise Agreement entered into pursuant to this Agreement or otherwise); this transfer fee is not applicable to transferring equity interest in the Area developer below twenty-five percent (25%); and

(viii) that the assignee, or all of the shareholders, members, partners or other equity interest holders of the assignee, as the case may be, shall jointly and severally fully, unconditionally and irrevocably guarantee the performance by Area Developer of all its obligations hereunder.

(c) Any assignment, transfer or other disposition of an Office within the Development Area shall be governed by the Franchise Agreement for such Office.

(d) If Area Developer is a legal entity, each of the following shall be deemed to be an assignment by Area Developer of this Agreement (or of an interest in this Agreement) within the meaning of this Section: (i) the transfer or assignment by any owner of an Equity Interest in the Area Developer; (ii) the issuance of any securities by Area Developer which itself or in combination with any other transaction(s) results in the owners of an Equity Interest in Area Developer existing as of the Effective Date, owning less than one hundred percent (100%) of the Equity Interest in the Area Developer; and (iii) any merger, stock redemption, consolidation, reorganization or recapitalization involving Area Developer.

(e) Without limiting the generality of the foregoing, Area Developer shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without the express prior written consent of the Company, which consent may be withheld by the Company in its sole and absolute discretion.

7.4 Right of First Refusal

Any assignment of this Agreement, or any interest herein, shall be subject to the Company's right of first refusal with respect thereto. The Company's said right of first refusal shall be exercised in the following manner:

(a) Area Developer shall deliver to the Company a written notice clearly and unambiguously setting forth all of the terms and conditions of the proposed assignment and all available information concerning the proposed assignee, including, but not limited to, information concerning the employment history, financial condition, credit history, skill and qualifications of the proposed assignee and, in the case of an entity, of its shareholders, members, partners and equity interest holders, as applicable.

(b) Within thirty (30) days after the Company's receipt of such notice (or if the Company shall request additional information, within thirty (30) days after receipt of such additional information), the Company may either consent or withhold its consent to such assignment, in accordance with

Section 7.3, or, at its option, accept the assignment to itself or to its nominee upon the terms and conditions specified in the notice. The Company may substitute an equivalent sum of money.

The parties have attempted in Section 8.1 above to limit the Area Developer's right to compete only to the extent necessary to protect the Company from unfair competition. The parties hereby expressly agree that if the scope or enforceability of Section 8.1 is disputed at any time by Area Developer, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent it deems necessary to make such provision(s) enforceable under applicable law. In addition, the Company reserves the right to reduce the scope of either, or both, of said provisions without Area Developer's consent, at any time or times, effective immediately upon notice to Area Developer.

VIII
NON-COMPETITION

8.1 In Term

During the Term of this Agreement, neither Area Developer, or if Area Developer is a legal entity, no owner of an Equity Interest in Area Developer or any officer, director or manager of Area Developer shall either directly or indirectly, own, operate, advise, be employed by, or have any interest in any Office that features or operates an Office specializing in the business of licensing others to develop and operate, at specific locations pursuant to written franchise agreements, Franchised Locations that will provide a full service Office specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware, cutting boards and other items, that are the same as, or similar to, the Office (the “System”) developed and owned by Franchisor, and other products or services and which are located at the Location, whether within or outside the Development Area, unless the Company, in its sole and absolute discretion, shall consent thereto in writing.

8.2 Modification.

The parties have attempted in Section 8.1 above to limit the Area Developer's right to compete only to the extent necessary to protect the Company from unfair competition. The parties hereby expressly agree that if the scope or enforceability of Section 8.1 is disputed at any time by Area Developer, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent it deems necessary to make such provision(s) enforceable under applicable law. In addition, the Company reserves the right to reduce the scope of either, or both, of said provisions without Area Developer's consent, at any time or times, effective immediately upon notice to Area Developer.

IX
TERMINATION

9.1 Termination Pursuant to a Material Breach of This Agreement

This Agreement may be terminated by the Company for cause without notice or opportunity to cure, except for such notice as may be required by law, in the event of any material breach by Area Developer of this Agreement. Material breach, as used herein, shall specifically include, among other things, the following:

(a) Failure of Area Developer to comply with the Development Obligation within the Development Periods;

(b) Failure of Area Developer to perform any other of Area Developer's obligations under this Agreement, including, without limitation, the obligation to enter into a Franchise Agreement with respect to any Office within the time required under this Agreement, and the obligation of Area Developer to obtain the prior written consent of the Company with respect to any transfer or assignment of this Agreement, in whole or in part, or any or all rights and obligations hereunder.

(c) The filing by or against Area Developer of any petition in bankruptcy, arrangement for the benefit of creditors, or petition for reorganization which is not dismissed within ninety (90) days;

(d) The appointment of a receiver or trustee for Area Developer which receiver or trustee is not dismissed within ninety (90) days from the date of appointment; or

(e) The conviction of, or pleading of nolo contendere by, any owner of an Equity Interest in Area Developer to a felony or crime involving moral turpitude.

9.2 Termination by Reason of a Material Breach of Other Agreement

This Agreement may be terminated, at the election of the Company, in the event of any material breach by Area Developer of an individual Franchise Agreement or any other agreement between the Company and Area Developer, upon the notice, if any, specified in the Franchise Agreement or other agreement.

9.3 Effect of Expiration or Termination

Upon the expiration of the Term, or upon the prior termination of this Agreement, Area Developer shall have no further right to construct, equip, open or operate additional Offices which are not, at the time of such expiration or termination, the subject of a then-existing Franchise Agreement between Area Developer and the Company which is in full force and effect, and the Company may itself construct, equip, open, or operate, or license others to construct, equip, open, or operate Offices in the Development Area, subject to the provisions of Sections 4.3 and 4.4 of this Agreement, and as provided in any Franchise Agreement executed pursuant to this Agreement.

X
ENTITY AREA DEVELOPER

10.1 Entity Area Developer

(a) If Area Developer is a corporation, limited liability company, general or limited partnership or other legal entity, there is set forth below the name and address of each owner of an Equity Interest in Area Developer:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(b) If Area Developer is a corporation, limited liability company, general or limited partnership or other legal entity, there is set forth below the name and address of each director, manager, or general partner, as applicable, of Area Developer:

NAME	ADDRESS

(c) The address where Area Developer's financial records, and corporate, company, partnership or other entity records, as applicable, are maintained is:

____

____

(d) If Area Developer is a corporation, limited liability company, partnership or other legal entity, there is set forth below the name, address and title of the owner of an Equity Interest in Area Developer who owns not less than twenty-five percent (25%) of the Equity Interest in Area Developer and who will serve as the so-called "Operating Partner" and devote a majority of his or her time and efforts to the management and operation of each Office constructed, equipped, opened and operated by Area Developer under each Franchise Agreement entered into pursuant to this Agreement:

NAME	ADDRESS

(e) Area Developer shall notify the Company in writing within ten (10) days of any change in the information set forth in subparagraphs (a) through (d) above.

(f) Area Developer shall promptly provide such additional information as the Company may from time to time request concerning all persons who may have any direct or indirect financial interest in Area Developer.

(g) If Area Developer is a corporation, limited liability company, partnership or other legal entity, each of the owners of an Equity Interest in Area Developer shall, by executing this Agreement, fully, unconditionally and irrevocably guarantee the performance by Area Developer of all of its obligations hereunder. In addition, Area Developer shall upon the Company's request cause all of its current and future owners of an Equity Interest in Area Developer to execute and deliver a guaranty in substantially the form of Exhibit "D" which is attached hereto and by this reference made a part hereof.

XI
VENUE AND REMEDIES

11.1 Venue

To the extent permitted by applicable law, Area Developer agrees that any action brought by Area Developer against the Company shall be brought in the state courts or in the U.S. District Court of the jurisdiction in which the Company has its principal place of business at the time such proceeding is commenced, and Area Developer waives its right to bring any action against the Company in any other jurisdiction or venue. Additionally, to the extent permitted by applicable law, Area Developer hereby submits to the jurisdiction of such courts, and Area Developer waives any right it may have to object to such jurisdiction and venue.

11.2 Remedy

No right or remedy conferred upon or reserved by the Company or Area Developer by this Agreement is intended and shall not be deemed to be exclusive of any other right or remedy provided or permitted herein, at law or in equity, but each right or remedy shall be cumulative of every other right or remedy.

11.3 Injunctive Relief

Nothing herein contained shall bar the Company's right to obtain injunctive relief against threatened conduct that will cause it loss or damage under the usual equity rules, including, without limitation, the applicable rules for obtaining restraining orders and preliminary injunctions. The Company shall not be required to post a bond in excess of $1,000.00 or other security with respect to obtaining any such equitable relief.

11.4 Certain Waivers

(a) THE PARTIES WAIVE THE RIGHT TO PURSUE AND RECEIVE ANY EXEMPLARY AND PUNITIVE DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW.

(b) THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE AREA DEVELOPER, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

(c) THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/ OFFICERS/ EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

XII
GENERAL CONDITIONS AND PROVISIONS

12.1 Relationship of Area Developer to Company

It is expressly agreed that Area Developer has no authority to create or assume in the Company's name or on behalf of the Company, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of the Company for any purpose whatsoever. Neither the Company nor Area Developer is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Area Developer agrees that Area Developer will not hold himself or itself out as the agent, employee, partner or co-venturer of the Company. All employees hired by or working for Area Developer shall be the employees of Area Developer and shall not, for any purpose, be deemed employees of the Company or subject to the Company's control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. This indemnity obligation shall survive the expiration or prior termination of this Agreement.

12.2 Indemnity by Area Developer

Area Developer hereby agrees to protect, defend and indemnify the Company, and all of its past, present and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with Area Developer's operation of an Office pursuant hereto. This indemnity obligation shall survive the expiration or prior termination of this Agreement.

12.3 No Consequential Damages for Legal Incapacity

The Company shall not be liable to Area Developer for any consequential damages, including but not limited to lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Area Developer by reason of any delay in the delivery of the Company's Franchise Disclosure Document caused by legal incapacity during the Term, or other conduct not due to the gross negligence or intentional misconduct of the Company.

12.4 Waiver and Delay

No waiver by the Company of any breach or series of breaches or defaults in performance by Area Developer, and no failure, refusal or neglect of the Company to exercise any right, power or option given to it hereunder or under any franchise agreement between the Company and Area Developer, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Offices) or to insist upon strict compliance with or performance of Area Developer's obligations under this Agreement or any franchise agreement between the Company and Area Developer, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Offices), shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by the Company of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

12.5 Survival of Covenants

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

12.6 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Company and shall be binding upon and inure to the benefit of Area Developer and his, its or their respective heirs, executors, administrators, successors and permitted assigns, subject to the prohibitions against assignment contained herein.

12.7 Joint and Several Liability

If Area Developer consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to the Company are joint and several.

12.8 Governing Law

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act), 15 U.S.C., Section 1051, et seq.), this Agreement shall be construed in accordance with the laws of the State of Georgia without giving effect to that state's conflict of laws principles.

12.9 Entire Agreement

This Agreement and the Exhibits incorporated herein contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. All prior agreements, understandings and representations, are merged herein and superseded hereby. Area Developer represents that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained herein. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto. Where this Agreement and any Franchise Agreement entered into pursuant to this Agreement conflict with respect to the amount or payment terms of initial franchise fees, or the date by which an Office is to be opened, the terms of this Agreement shall govern.

12.10 Titles for Convenience

Article and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

12.11 Gender

All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph hereof may require.

12.12 Severability

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, section, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

12.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

12.14 Attorney Fees and Expenses

Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision hereof, whether by judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees for the services rendered to such prevailing party.

12.15 Notices

All written notices and reports permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered three (3) days after placed in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at such party's most current principal address which the notifying party has on record.

XIII
SUBMISSION OF AGREEMENT

13.1 General

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by the Company and Area Developer. THIS AGREEMENT SHALL NOT BE BINDING ON THE COMPANY UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY. THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL AND UNLESS AREA DEVELOPER SHALL HAVE BEEN FURNISHED BY THE COMPANY WITH ALL DISCLOSURE DOCUMENTS, IN WRITTEN FORM, AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE LAW, FOR REQUISITE TIME PERIODS.

XIV
ACKNOWLEDGMENT

14.1 General

Area Developer, and the owners of any Equity Interests in Area Developer as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

IN WITNESS WHEREOF, the parties have hereto set their hands, affixed their seals and delivered these presents as of the day and year first above written.

THE COMPANY

GASKET GUY FRANCHISE COMPANY, LLC
a Delaware limited liability company

By: ____
Name: ____
Title:____

AREA DEVELOPER:

____

By: ____
Name: ____
Title: ____

EQUITY INTEREST OWNERS:

____

ATTACHMENT A TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT OBLIGATION

Development Period Ending	Cumulative Number of Offices to be in Operation
1 ______________, 20__	___________
2 ______________, 20__	___________
3 ______________, 20__	___________
4 ______________, 20__	___________
5 ______________, 20__	___________

ATTACHMENT B TO THE AREA DEVELOPMENT AREA

<u>DEVELOPMENT AREA</u>

ATTACHMENT C TO THE AREA DEVELOPMENT AGREEMENT

<u>AGGREGATE INITIAL FRANCHISE FEE</u>

ATTACHMENT D TO THE AREA DEVELOPMENT AGREEMENT

GUARANTY OF AREA DEVELOPER'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement dated ______________________, and any and all revisions, modifications and amendments thereto or renewals thereof, (hereinafter collectively the "Agreement"), by and between Gasket Guy Franchise Company, LLC, a Delaware limited liability company for itself and for its affiliates (hereinafter, collectively, "Franchisor") and ____________________________ (hereinafter "Area Developer"), each of the undersigned "Guarantors" (herein so called) agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guarantee the full, prompt and complete performance of Area Developer under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of Area Developer, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of Area Developer and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Area Developer or whether Area Developer is joined in any such action.

3. If the Area Developer is a corporation, partnership, limited liability company or other legal entity, Franchisor shall not be obligated to inquire into the power or authority of Area Developer or its officers, directors, agents, managers, representatives, employees or other persons acting or purporting to act on Area Developer's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, partnerships, limited liability companies or other legal entities, it shall be conclusively presumed that the Guarantors and all shareholders, partners, members and other owners of such entities, and all officers, directors, agents, managers, representatives, employees or other persons acting on their behalf have the express authority to bind such entities and that such entities have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such entities.

4. Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors and assigns have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned each further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including, without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Area Developer and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, heirs, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term “the undersigned,” as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

8. Without limiting the generality of any part or all of the foregoing, the undersigned do each hereby further covenant and agree that each of the undersigned are hereby bound by those certain terms, obligations, covenants and conditions of the Agreement with respect to the following:

(i) Section 7.3 entitled “Assignment by Area Developer.”;

(ii) Section 7.4 entitled “Right of First Refusal.”;

(iii) Article VIII entitled “Non-Competition.”;

(iv) Section 10.1(g);

(v) Section 11.1 entitled “Venue.”;

(vi) Section 11.3 entitled “Injunctive Relief.”;

(vii) Section 12.7 entitled “Joint and Several Liability.”;

(viii) Section 12.15 entitled “Notices.”; and

(ix) Article XIV entitled “Acknowledgement.”

The undersigned each agree that the references to the “Area Developer” in the Sections referenced hereinabove shall include and be applicable to each of the undersigned.

9. All capitalized terms not defined herein shall have the meanings given to them in the Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty of Area Developer's Undertakings under seal effective as of the _____ day of __________________, __________.

__________________________________(SEAL)

____

Name

____

____

____

Home Address

____

Home Telephone

____

Business Telephone

____

Date ___________________________________

EXHIBIT C

FINANCIAL STATEMENTS OF FRANCHISOR

Gasket Guy Franchise Company, LLC

Financial Statements

December 31, 2024 and 2023

Gasket Guy Franchise Company, LLC

Table of Contents
December 31, 2024 and 2023

Independent Auditors' Report

To the Members of
Gasket Guy Franchise Company, LLC

Opinion

We have audited the financial statements of Gasket Guy Franchise Company, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity (deficit) and cash flows for the years ended December 31, 2024 and 2023 and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years ended December 31, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditors' Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 GAAP for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the balance sheet 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 available to be issued.

Auditors′ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures pertaining to the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Chicago, Illinois
April 29, 2025

Gasket Guy Franchise Company, LLC

Balance Sheets
December 31, 2024 and 2023

		2024		2023
Assets				
Cash	$	1,000	$	1,000
Accounts receivable		44,579		30,663
Other assets		127,757		86,751
Total current assets		173,336		118,414
Total assets	$	173,336	$	118,414
Liabilities and Members' Equity (Deficit)				
Liabilities				
Deferred revenue	$	546,138	$	277,577
Total liabilities		546,138		277,577
Members' Equity (Deficit)		(372,802)		(159,163)
Total liabilities and members' equity (deficit)	$	173,336	$	118,414

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Income
Years Ended December 31, 2024 and 2023

		2024		2023
Net Sales	$	511,324	$	357,779
Operating Expenses		10,903		6,051
Net income	$	500,421	$	351,728

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2024 and 2023

Balance, December 31, 2022	$	(73,530)
Dividend to Parent Company		(437,361)
Net income		351,728
Balance, December 31, 2023		(159,163)
Dividend to Parent Company		(714,060)
Net income		500,421
Balance, December 31, 2024	$	(372,802)

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income	$ 500,421	$ 351,728
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts receivable	(13,916)	(15,413)
Other assets	(41,006)	(86,751)
Deferred revenue	268,561	187,797
Net cash from operating activities	714,060	437,361
Cash Flows From Financing Activities		
Dividend to Parent Company	(714,060)	(437,361)
Net cash from financing activities	(714,060)	(437,361)
Net increase in cash	-	-
Cash, Beginning	1,000	1,000
Cash, Ending	$ 1,000	$ 1,000

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Operations

Gasket Guy Franchise Company, LLC (the Company) was established on March 30, 2022 (Inception). The primary objective of the Company is to offer and sell franchises specializing in professional gasket sales and installations. As of the reporting date, the Company does not employ any individuals and operates exclusively to generate income derived from royalties received from its franchisees.

Principles of Presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Accounts Receivable

Accounts receivable are classified as current assets and are reported net of an allowance for doubtful accounts. Management estimates the allowance through an evaluation of financial condition of each customer and using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible and recoveries, if any, are recorded when received. As of December 31, 2024 and 2023 there was no allowance for doubtful accounts.

Other Assets

Other assets consist of commissions owed to the Company as a result of new franchises opening and legal fees provided on behalf of the franchisee's. These amounts are recognized over the life of the franchise agreements.

Deferred Revenue

Deferred revenue represents the unearned portion of amounts received by the Company in relation to initial franchise fees. These fees are recognized as revenue over the contractual term of the franchise agreement. The recognition of revenue is based on the Company's performance obligations and the corresponding services provided to the franchisees. The initial franchise fees received by the Company are allocated to the specific performance obligations under the franchise agreements. As the Company fulfills its obligations and provides services to the franchisees, the deferred revenue is gradually recognized as revenue on a systematic basis over the term of the agreement.

The balance of deferred revenue disclosed in the accompanying financial statements represents the remaining unearned portion of the initial franchise fees collected by the Company. The amounts will be recognized as revenue in future periods as the Company fulfills its obligations and completes the necessary services under the franchise agreements. It is important to note that the specific terms and conditions of individual franchise agreements may vary, resulting in different recognition patterns for deferred revenue.

Dividend to Parent Company

The Company maintains a cash sweeping arrangement whereby all cash collections are transferred to DFS Acquisition Corp. (Parent Company) in the form of a dividend. This arrangement is structured to efficiently manage cash flows and optimize the allocation of resources within the consolidated group.

Under the cash sweeping arrangement, the Company collects cash from its franchisees, which is subsequently transferred to the Parent Company on a regular basis. The cash transfers are executed by declaring and distributing dividends to the Parent Company, facilitating the consolidation of cash resources and financial management activities. The dividends declared and paid to the Parent Company are determined based on the cash collections made by the Company during the reporting period.

Revenue Recognition

The Company recognizes revenue primarily from fees received from its franchisees. The revenue stream comprises of two components: initial franchise fees and royalty fees based on a percentage of sales. The Company follows the following revenue recognition model for each component:

Initial Franchise Fees

Initial franchise fees are collected from franchisees upon entering into a franchise agreement and commencing operations. These fees represent consideration for granting the right to operate under the Company's franchise system. Revenue from initial franchise fees is recognized over the term of the franchise agreement as the Company satisfies its performance obligation to the franchisee. This recognition pattern aligns with the expected timeframe over which the Company provides support, training and assistance to the franchisees. The franchise term typically spans between 10 to 15 years.

Royalty Fees

Royalty revenues are derived from a percentage of monthly sales reported by franchisees. These revenues are recognized at the time the underlying sales transactions occur. The recognition is based on the performance obligation fulfilled by the Company, which entails providing ongoing support, brand use and other services to the franchisees. The revenue is recognized in the accounting period when the sales take place, reflecting the revenue earned from the franchisees' sales activities.

Income Taxes

Under ASC 740-10-30-27A, an entity is not required to allocate the consolidated amount of current and deferred tax expense to legal entities that are not subject to tax. However, an entity may elect to allocate the consolidated amount of current and deferred tax expense to legal entities that are both not subject to tax and disregarded by the taxing authority (for example, disregarded entities such as single-member limited liability companies). The election is not required for all members of a group that files a consolidated tax return; that is, the election may be made for individual members of the group that files a consolidated tax return. An entity shall not make the election to allocate the consolidated amount of current and deferred tax expense for legal entities that are partnerships or are other pass-through entities that are not wholly owned. The Company is treated as a single-member LLC (SMLLC) for tax purposes and is disregarded by the Federal tax authorities. The Company has no separate state income tax filing obligations. As a result, the Company has elected not to record an income tax provision.

2. Subsequent Events

The Company has evaluated subsequent events and transactions for potential recognition or disclosure through April 29, 2025, the date that the financial statements were available to be issued. No events or transactions have occurred through such date that requires recognition or disclosure in the accompanying financial statements.

Gasket Guy Franchise Company, LLC

Financial Statements

December 31, 2023 and 2022

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Independent Auditors' Report

To the Members of
Gasket Guy Franchise Company, LLC

Opinion

We have audited the financial statements of Gasket Guy Franchise Company, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022 and the related statements of income, members' equity and cash flows for the year ended December 31, 2023 and the period from March 30, 2022 (Inception) to December 31, 2022 and the related notes to 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, 2023 and 2022 and the results of its operations and its cash flows for the year ended December 31, 2023 and the period from March 30, 2022 (Inception) to December 31, 2022 in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 GAAP for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the balance sheet 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 available to be issued.

Auditors′ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures pertaining to the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Chicago, Illinois
April 25, 2024

Gasket Guy Franchise Company, LLC

Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Cash	$ 1,000	$ 1,000
Accounts receivable	30,663	15,250
Other assets	86,751	-
Total current assets	118,414	16,250
Total assets	$ 118,414	$ 16,250
Liabilities and Members' Equity (Deficit)		
Liabilities		
Deferred revenue	$ 277,577	$ 89,780
Total liabilities	277,577	89,780
Members' Equity (Deficit)	(159,163)	(73,530)
Total liabilities and members' equity (deficit)	$ 118,414	$ 16,250

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Income

Year Ended December 31, 2023 and the Period From March 30, 2022 (Inception) to December 31, 2022

	2023	March 30, 2022 to December 31, 2022
Net Sales	$ 357,779	$ 125,625
Operating Expenses	6,051	6,498
Net income	$ 351,728	$ 119,127

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Changes in Members' Equity (Deficit)
Year Ended December 31, 2023 and the Period From March 30, 2022 (Inception) to December 31, 2022

Balance, March 30, 2022	$ -
Dividend to Parent Company	(192,657)
Net income	119,127
Balance, December 31, 2022	(73,530)
Dividend to Parent Company	(437,361)
Net income	351,728
Balance, December 31, 2023	$ (159,163)

See notes to financial statements

Gasket Guy Franchise Company, LLC

Statements of Cash Flows
Year Ended December 31, 2023 and the Period From March 30, 2022 (Inception) to December 31, 2022

	2023	March 30, 2022 to December 31, 2022
Cash Flows From Operating Activities		
Net income	$ 351,728	$ 119,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts receivable	(15,413)	(15,250)
Other assets	(86,751)	-
Deferred revenue	187,797	89,780
Net cash from operating activities	437,361	193,657
Cash Flows From Financing Activities		
Dividend to Parent Company	(437,361)	(192,657)
Net cash from financing activities	(437,361)	(192,657)
Net increase in cash	-	1,000
Cash, Beginning	1,000	-
Cash, Ending	$ 1,000	$ 1,000

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Operations

Gasket Guy Franchise Company, LLC (the Company) was established on March 30, 2022 (Inception). The primary objective of the Company is to offer and sell franchises specializing in professional gasket sales and installations. As of the reporting date, the Company does not employ any individuals and operates exclusively to generate income derived from royalties received from its franchisees.

Principles of Presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Accounts Receivable

Accounts receivable are classified as current assets and are reported net of an allowance for doubtful accounts. Management estimates the allowance through an evaluation of financial condition of each customer and using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible and recoveries, if any, are recorded when received. As of December 31, 2023 and 2022, there was no allowance for doubtful accounts.

Other Assets

Other assets consists of commissions owed to the Company as a result of new franchises opening and legal fees provided on behalf of the franchisee's. These amounts are recognized over the life of the franchise agreements.

Deferred Revenue

Deferred revenue represents the unearned portion of amounts received by the Company in relation to initial franchise fees. These fees are recognized as revenue over the contractual term of the franchise agreement. The recognition of revenue is based on the Company's performance obligations and the corresponding services provided to the franchisees. The initial franchise fees received by the Company are allocated to the specific performance obligations under the franchise agreements. As the Company fulfills its obligations and provides services to the franchisees, the deferred revenue is gradually recognized as revenue on a systematic basis over the term of the agreement.

The balance of deferred revenue disclosed in the accompanying financial statements represents the remaining unearned portion of the initial franchise fees collected by the Company. The amounts will be recognized as revenue in future periods as the Company fulfills its obligations and completes the necessary services under the franchise agreements. It is important to note that the specific terms and conditions of individual franchise agreements may vary, resulting in different recognition patterns for deferred revenue.

Dividend to Parent Company

The Company maintains a cash sweeping arrangement whereby all cash collections are transferred to DFS Acquisition Corp. (Parent Company) in the form of a dividend. This arrangement is structured to efficiently manage cash flows and optimize the allocation of resources within the consolidated group.

Under the cash sweeping arrangement, the Company collects cash from its franchisees, which is subsequently transferred to the Parent Company on a regular basis. The cash transfers are executed by declaring and distributing dividends to the Parent Company, facilitating the consolidation of cash resources and financial management activities. The dividends declared and paid to the Parent Company are determined based on the cash collections made by the Company during the reporting period.

Revenue Recognition

The Company recognizes revenue primarily from fees received from its franchisees. The revenue stream comprises of two components: initial franchise fees and royalty fees based on a percentage of sales. The Company follows the following revenue recognition model for each component:

Initial Franchise Fees

Initial franchise fees are collected from franchisees upon entering into a franchise agreement and commencing operations. These fees represent consideration for granting the right to operate under the Company's franchise system. Revenue from initial franchise fees is recognized over the term of the franchise agreement as the Company satisfies its performance obligation to the franchisee. This recognition pattern aligns with the expected timeframe over which the Company provides support, training and assistance to the franchisees. The franchise term typically spans between 10 to 15 years.

Royalty Fees

Royalty revenues are derived from a percentage of monthly sales reported by franchisees. These revenues are recognized at the time the underlying sales transactions occur. The recognition is based on the performance obligation fulfilled by the Company, which entails providing ongoing support, brand use and other services to the franchisees. The revenue is recognized in the accounting period when the sales take place, reflecting the revenue earned from the franchisees' sales activities.

Income Taxes

Under ASC 740-10-30-27A, an entity is not required to allocate the consolidated amount of current and deferred tax expense to legal entities that are not subject to tax. However, an entity may elect to allocate the consolidated amount of current and deferred tax expense to legal entities that are both not subject to tax and disregarded by the taxing authority (for example, disregarded entities such as single-member limited liability companies). The election is not required for all members of a group that files a consolidated tax return; that is, the election may be made for individual members of the group that files a consolidated tax return. An entity shall not make the election to allocate the consolidated amount of current and deferred tax expense for legal entities that are partnerships or are other pass-through entities that are not wholly owned. The Company is treated as a single-member LLC (SMLLC) for tax purposes and is disregarded by the Federal tax authorities. The Company has no separate state income tax filing obligations. As a result, the Company has elected not to record an income tax provision.

2. Subsequent Events

The Company has evaluated subsequent events and transactions for potential recognition or disclosure through April 25, 2024, the date that the financial statements were available to be issued. No events or transactions have occurred through such date that requires recognition or disclosure in the accompanying financial statements.

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible or the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovations Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	
Maryland	Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities Unit 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue, 6th Floor Albany, NY 12231

State	State Administrator	Agent for Service of Process (if different from State Administrator)
North Dakota	North Dakota Securities Department 600 East Boulevard Ave. State Capital 14th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave. State Capital 14th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, Wisconsin 53701 (608) 266-2801	

EXHIBIT E

STATE ADDENDA TO DISCLOSURE DOCUMENT AND AGREEMENTS

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of California only, this Disclosure Document is amended as follows:

Risk Factors

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

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Item 3

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 6

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

Item 17

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination, Transfer, and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees 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.

Termination Upon Bankruptcy. 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.).

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

Arbitration. The franchise agreement requires binding arbitration. The arbitration will occur in any court of competent jurisdiction in Fulton County, Georgia, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Applicable Law. The franchise agreement requires application of the laws of the State of Georgia. This provision may not be enforceable under California law.

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

General Releases. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Exhibit K

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.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 5 Additional Disclosure:

> Payment of the initial franchise fee is deferred until such time as the franchisor completes its pre-opening obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

The following is added to Item 17(f):

> The conditions under which you can be terminated and your rights on non- renewal may be affected by Illinois law, 815 ILCS 705/1-44.

The following is added to Item 17(u), (v), and (w):

> Illinois law will govern any franchise agreement if (i) an offer to sell or buy a franchise is made in Illinois and accepted within or outside of Illinois, or (ii) an offer to sell or buy a franchise is made outside of Illinois and accepted in Illinois, or (iii) the offeree is domiciled in Illinois, or (iv) the franchised business is or will be located in Illinois.
>
> Any condition of the franchise agreement that designates litigation, jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois provided the franchise agreement may provide for arbitration in a forum outside of Illinois.
>
> Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of Illinois law is void.

The following is added to Exhibit K:

> 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.
>
> Dated this _____ day of ________________________, 20____.

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 5:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The following is added to Item 17:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

The following is added to Exhibit K:

> 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.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

- 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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF

COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

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 D 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 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 CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT 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:

With the exception of what is stated above, the following applies 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 134, 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.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a 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 the franchisee by Article 33 of the General Business Law of the State of New York

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in N.D. Cent. Code, §§51-19-01 – 51-19-17 of the North Dakota Franchise Investment Law, the terms of this Addendum apply.

Item 17 of the Franchise Disclosure Document for FS8, Inc. is supplemented by the following:

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

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.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 5:

All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

The following statement is added to the Special Risks to Consider about This Franchise:

1. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from $80,050 to $361,400. This amount exceeds the franchisor's stockholders equity as of December 31, 2024, which is (-$372,802).

The following statement is added to Exhibit K:

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 FRANCHISE AGREEMENT AND RELATED AGREEMENTS

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.

Pursuant to RCW 19.100.180, the assets described in Section XV(G) of the Franchise Agreement will not be purchased for less than their fair market value, minus any amounts the franchisee owes to the franchisor. Additionally, Section XVII shall not apply to Washington franchisees.

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.

The Washington Department of Financial Institutions Securities Division has required the franchisor to defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee, and the franchisee is open for business.

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.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: _____________________	Date: _________________________

This addendum may also be used as a rider to the Franchise Disclosure Document.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

This Addendum amends the Franchise Agreement dated _______________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ____________________________________, a ____________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. **Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. **Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois (including, but is not limited to, statements involving unregistered earnings claims, timely disclosure, warranty, material misrepresentations or limitation of liability) is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. **Special Representations.** 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.

6. **Initial Franchise Fee**. Payment of the initial franchise fee is deferred until such time as the franchisor completes its pre-opening obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

7. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and __________________________________, a ___________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. **Certain Provisions Deleted**. Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official

price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by: **FRANCHISEE**	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: _________________________	Title: _________________________

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and _________________________, a ______________ ("Franchisee").

1. **<u>Definitions</u>.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. **<u>No Waiver of State Law In Sale</u>.** Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. **<u>No Release of Liability</u>.** Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. **<u>Statute of Limitations</u>.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. **<u>Jurisdiction</u>.** Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. **<u>Initial Fees</u>.** Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its preopening obligations under the franchise agreement.

7. **<u>Special Representations.</u>** 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.

8. Section 28 of the Agreement, under the heading "Special Representations," is modified as described below.

a. Section 28(B) is hereby deleted in its entirety.

b. Section 28(A) is hereby deleted in its entirety.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: _________________________	Title: _________________________

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ________________________________, a ____________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. **Effective Date.** This Rider is effective as of the Effective Date.

4. **Special Representations.** 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.

Agreed to by:

FRANCHISEE

____

By: ___________________________
Name: _________________________
Title: __________________________

FRANCHISOR
GASKET GUY FRANCHISE COMPANY, LLC

By: ___________________________
Name: _________________________
Title: __________________________

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _______________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ______________________________, a ___________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ________________________________, a ____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary & Punitive Damages: Franchisee does not waive of exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

(11) 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.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and _______________________________, a ___________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Jurisdiction and Venue.** Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE
____

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

FRANCHISOR
GASKET GUY FRANCHISE COMPANY, LLC

By: ___________________________
Name: _________________________
Title: __________________________
Date: __________________________

SOUTH DAKOTA RIDER TO FRANCHISE AGREEMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

VIRGINIA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ______________________________, a ___________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

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

3. **Special Representations.** 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.

Agreed to by:

FRANCHISEE	FRANCHISOR
______________________________	GASKET GUY FRANCHISE COMPANY, LLC
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

ILLINOIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT

This Addendum amends the Area Development Agreement dated ___________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ______________________________________, a _____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

6. Initial Franchise Fee. Payment of the initial franchise fee is deferred until such time as the franchisor completes its pre-opening obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

7. Special Representations. 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.

Agreed to by:

FRANCHISEE	FRANCHISOR
______________________________	GASKET GUY FRANCHISE COMPANY, LLC
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

INDIANA RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated ____________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ______________________________________, a ____________________ ("Franchisee")

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. **Certain Provisions Deleted**. To the extent required for the Agreement to be in compliance with the Indiana Acts, any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new

models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. **Effective Date.** This Rider is effective as of the Effective Date.

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

MARYLAND RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ___________________________, a ________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. No Waiver of State Law In Sale. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. No Release of Liability. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. Fee Deferral. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

7. Special Representations. 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.

8. Section 14 of the Agreement, under the heading "Acknowledgments," is modified as described below.

a. Section 14.1 is hereby deleted in its entirety.

Agreed to by:

FRANCHISEE	FRANCHISOR
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: _________________________	Title: _________________________
Date: _________________________	Date: _________________________

MINNESOTA RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ____________________________________, a ____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non- renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. Effective Date. This Rider is effective as of the Effective Date.

4. **Special Representations.** 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.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: _________________________	Title: _________________________
Date: _________________________	Date: _________________________

NEW YORK RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ____________________________________, a ____________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 **Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. **Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

NORTH DAKOTA RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated ________________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ____________________________________, a ____________________ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary & Punitive Damages: Franchisee does not waive of exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

(11) 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.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

RHODE ISLAND RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated _______________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ___________________________________, a ___________________ ("Franchisee").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Jurisdiction and Venue.** Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

SOUTH DAKOTA RIDER TO AREA DEVELOPMENT AGREEMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

VIRGINIA RIDER TO AREA DEVELOPMENT AGREEMENT

This Rider amends the Area Development Agreement dated _______________ (the "Agreement"), between Gasket Guy Franchise Company, LLC, a Delaware limited liability company ("Franchisor") and ___________________________________, a ___________________(“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

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

3. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

4. Special Representations. 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.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE	**FRANCHISOR**
______________________________	**GASKET GUY FRANCHISE COMPANY, LLC**
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

EXHIBIT F-1

LIST OF FRANCHISE OWNERS AND AREA DEVELOPERS

Franchisees Opened as of December 31, 2024

Owner	Franchisee	Address	Phone Number
David Matt	Gasket Guy of North Alabama	1602 Willowbrook Drive Huntsville, Alabama 35802	256-508-8381
John Frankel	Coyote Gasket Guy	3021 S 35th Street Phoenix, Arizona 85034	602-418-8370
Robert Bryson	Gasket Guy of Birmingham	1253 Butlers Bridge Rd. McDonough, Georgia 30252	866-795-0180
Chris Bird	Gasket Guy of Northwest Arkansas	1108 S Old Missouri Rd., Suite B Springdale, Arkansas 72764	479-318-1300
Wayne Mills	Gasket Guy of Central Florida (Ocala)	100 Nautilus Lane Ponte Vedra, Florida 32082	904-881-2409
Richard Brandenburger	Gasket Guy of South Florida	8634 White Egret Way Lake Worth, Florida 33467	954-303-0663
Alan Anderson	Gasket Guy of Central Iowa	1760 SE Hawthorne Ridge Drive Waukee, Iowa 50263	515-314-6990
Jeremy Cordes	Gasket Guy of Eastern Iowa	6066 Weybridge Court Johnston, Iowa 50131	515-360-9183
Robert Cotton	Gasket Guy of Wichita	115 South Parkdale Street Wichita, Kansas 67209	785-317-2574
Steven Byrne	Gasket Guy of Metro Detroit	9835 William St. Taylor, Michigan 48180	734-457-2960
Josh Hausgen	Gasket Guy of St Louis	975 W. Terra Lane O'Fallon, Missouri 63366	314-800-0560
John Forker	Gasket Guy of the Ozarks	2844 Fox Road, Reeds Spring, Missouri 75737	417-693-2266
Jason Reed	Gasket Guy of Reno	1001 S. Meadows Pkwy, #1833 Reno, Nevada 89521	775-895-2709
Tom Kunyz	Gasket Guy of New Hampshire	25 Commercial Dr Brentwood, New Hampshire 03833	877-427-5389
Aaron Kushner & Tim Kwasnicki	Gasket Guy of the Hudson Valley	15 Olympic way Poughkeepsie, New York 12603	888-427-5380
James Bickford	North Country Gasket Guy	7 Evergreen Trail Colton, New York 13625	315-904-5005
Jon Pandey	Gasket Guy of Raleigh	109 Azalea View Way Holly Springs, North Carolina 27540	239-641-0416
Brian Speck	Gasket Guy of Nashville	503 Sharpe Drive Franklin, Tennessee 37064	615-427-2532
Edward Lavoie	Gasket Guy of Rhode Island	208 Angell Avenue Cranston, Rhode Island 02920	401-300-5741
Shaun Brautigan	Gasket Guy of South Dakota	20936 Brighter Day Place Deadwood, South Dakota 57732	605-273-6009
Darren Dixon	Gasket Guy of Salt Lake City	1759 W. Rim Rock Dr. Stockton, Utah 84071	801-901-3272
Doug Rennon	Gasket Guy of Northwest Virginia	4621 Slate Mills Road Boston, Virginia 22713	540-395-2354
William (Bo) Burgis	Gasket Guy of Hampton Roads	5339 Tuttle Creek Ct Virginia Beach, Virginia 23462	757-647-4417

Owner	Franchisee	Address	Phone Number
Caren Keegan	Gasket Guy of Northern Virginia	6319 Mayfield Lane Warrenton, Virginia 20187	703-350-8735
Mike Whitson	Gasket Guy of Houston	2307 Lees Court League City, Texas 77573	346-352-2075
Brian Trelstad	Gasket Guy of Northwest Chicago	200 Regency Ct Unit C Wauconda, Illinois 60084	847-270-8091
Dave Smith	Gasket Guy of Louisville	2912 Winchester Road Jeffersonville, Indiana 47130	502-519-3130
Allen Jones	Midsouth Gasket Guy (Memphis)	134 Bancroft Drive Collierville, Tennessee 38017	901-290-0858
Aaron Livingston	Gasket Guy of Northern CT	4 Mclean St. Simsbury, Connecticut 06070	860-670-9127
John Slaughter	Gasket Guy of Myrtle Beach	1713 Frissel St. Daniel Island, South Carolina 29492	843-702-9193
Allister King	Gasket Guy of the Sand Hills (Fayetteville)	3771 Ramsey St, #109-386 Fayetteville, North Carolina 28311	919-502-4160

*There were no area developers as of December 31, 2024.

Franchisees Signed but not yet Opened as of December 31, 2024

Owner	Franchisee	Address	Phone Number
Ben Lee	Gasket Guy of the Bayou	1905 W Thomas Street Suite D / Box 107 Hammond, Louisiana 70401	614-800-1165

EXHIBIT F-2

LIST OF LICENSEES

Licensees	State
Gulf Coast Gasket Guy	AL
Gasket Guy of Northwestern Arkansas	AR
Gasket Guy of Sacramento	CA
Riverside Gasket Guy	CA
Bay Area Gasket Guy	CA
SoCal Gasket Guy	CA
Rocky Mountain Gasket Guy	CO
Dan Gooney “Gasket Guy”	FL
Gasket Guy Of Southwest Florida	FL
The Gasket Guy	FL
Larry the Gasket Guy	FL
Gasket Guy of Panama City Beach	FL
Gasket Guy of Jacksonville	FL
Gasket Guy of Central Georgia	GA
Gasket Guy of Atlanta	GA
Gasket Guy of Savannah	GA
Idaho Gasket & Door	ID
Gasket Guy of Northern Indiana	IN
Gasket Guy of Louisiana	LA
Gasket Guy of SE Massachusetts	MA
Gasket Guy of Baltimore	MD
J & K Gasket Guys	MI
JNK Gasket Guys	MI
Gasket Guy Midwest	MN
Gasket Guy Kansas City	MO
Gasket Guy of the Sandhills	NC
Gasket Guy of the Foothills	NC
Gasket Guy of Charlotte	NC
Gasket Guy of Central NC	NC
Gasket Guy of Asheville	NC
Gasket Guy of Central NJ	NJ
Gaskets-N-More	NV
Gasket Guy of Western NY	NY
Gasket Guy of Northeast Ohio	OH
Tri-State Gasket Guy	OH
Gasket Guy of Stark County	OH
Gasket Guy Royale	OH
Gasket Guy of Dayton	OH
Gasket Guy of Oklahoma	OK
Gasket Guy of Eastern PA	PA

Licensees	State
Keystone Gasket Guy	PA
Gasket Guy of Central PA	PA
Gasket Guy Puerto Rico	PR
Gasket Guy of Charleston	SC
Gasket Guy of Columbia	SC
TN Valley Gasket Guy	TN
Gasket Guy of San Antonio	TX
Gasket Guy of Austin	TX
Gasket Guy of DFW	TX
Gasket Guy of Roanoke	VA
Gasket Guy of Richmond	VA
Gasket Guy and Gal NW, Inc.	WA
Gasket Guy Northwest	WA
Gasket Guy of Southeast Wisconsin LLC	WI

EXHIBIT G

LIST OF FORMER FRANCHISE OWNERS

As of December 31, 2024

None

If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise system.

EXHIBIT H-1

FRANCHISE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None

EXHIBIT H-2

INDEPENDENT FRANCHISE ASSOCIATIONS

None

EXHIBIT I

CONFIDENTIALITY/NONDISCLOSURE AGREEMENT

THIS AGREEMENT, made and entered into this ______________________ by and between Gasket Guy Franchise Company, LLC, a Delaware limited liability company (hereinafter referred to as "the Company") and
____
____
____
whose address is ____
(hereinafter referred to as "Prospective Franchise Owner").

WITNESSETH THAT:

WHEREAS, Prospective Franchise Owner desires to obtain certain confidential and proprietary information from the Company for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a franchise from the Company; and

WHEREAS, the Company is willing to provide such information to Prospective Franchise Owner for the limited purpose and under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. DEFINITION. "Confidential Information" is used herein to mean all information, documentation and devices disclosed to or made available to Prospective Franchise Owner by the Company, whether orally or in writing, as well as any information, documentation or devices heretofore or hereafter produced by Prospective Franchise Owner in response to or in reliance on said information, documentation and devices made available by the Company.

2. TERM. The parties hereto agree that the restrictions and obligations of Paragraphs 3 and 4 of this Agreement shall be deemed to have been in effect from the commencement on the ___ day of _____, 20__, of the ongoing negotiations between Prospective Franchise Owner and the Company and continue in perpetuity until disclosed by the Company.

3. TRADE SECRET ACKNOWLEDGEMENT. Prospective Franchise Owner acknowledges and agrees the Confidential Information is a valuable trade secret of the Company and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to the Company.

4. TREATMENT OF CONFIDENTIAL INFORMATION. In consideration of the disclosure to Prospective Franchise Owner of Confidential Information, Prospective Franchise Owner agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) To use Confidential Information for the sole purpose of inspecting and analyzing the information in an effort to determine whether to purchase a franchise from the Company and solely in its operation of the Company Franchise;

(b) Not to disclose Confidential Information to any third party;

(c) To limit dissemination of Confidential Information to only those of Prospective Franchise Owner's Office, directors and employees who have a need to know to perform the limited tasks set forth in Item 4 (a) above and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes or physical evidence thereof, to the Company upon a determination that Prospective Franchise Owner no longer has a need therefore, or upon request therefore from the Company, whichever occurs first.

5. <u>SURVIVAL OF OBLIGATIONS</u>. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Franchise Owner, his heirs, successors and assigns in perpetuity.

6. <u>NEGATION OF LICENSES</u>. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Franchise Owner as a result of or related to this Agreement.

7. <u>APPLICABLE LAW</u>. This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia without giving effect to that state's conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

GASKET GUY FRANCHISE COMPANY, LLC

____

By: Sean D. Dillon
Title: Managing Partner

____
(Signature of Prospective Franchise Owner)

____
(Print Name of Prospective Franchise Owner)

EXHIBIT J

GUARANTY OF FRANCHISE OWNER'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated ______________, and any and all revisions, modifications and amendments thereto or renewals thereof, (hereinafter collectively the "Agreement"), by and between Gasket Guy Franchise Company, LLC, a Delaware limited liability company, for itself and for its affiliates (hereinafter, collectively, "the Company") ____ and ____
____
____
____each of the undersigned "Guarantors" (herein so called) agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guarantee the full, prompt and complete performance of Franchise Owner under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to the Company under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of Franchise Owner, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or un-liquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of Franchise Owner and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against Franchise Owner or whether Franchise Owner is joined in any such action.

3. If the Franchise Owner is a corporation, partnership, limited liability company or other legal entity, the Company shall not be obligated to inquire into the power or authority of Franchise Owner or its officers, directors, agents, managers, representatives, employees or other persons acting or purporting to act on Franchise Owner's behalf, and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, partnerships, limited liability company or other legal entities, it shall be conclusively presumed that the Guarantors and all shareholders, partners, members and other owners of such entities, and all officers, directors, agents, managers, representatives, employees or other persons acting on their behalf, have the express authority to bind such entities and that such entities have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such entities.

4. The Company, its successors and assigns may from time-to-time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors and assigns have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned each further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including, without limitation: notice of acceptance hereof;

notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchise Owner and the Company resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, heirs, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term "the undersigned," as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

8. Without limiting the generality of any part or all of the foregoing, the undersigned does hereby further covenant and agree that each of the undersigned are hereby bound by those certain terms, obligations, covenants and conditions of the Agreement with respect to the following:

(i) Section XVII (B) entitled "Assignment by Franchise Owner";

(ii) Section XVII (C) entitled "Franchisor's Right of First Refusal";

(iii) Section XVII (D) entitled "Transfer Upon Death or Mental Incapacity";

(iv) Section XX entitled "Waiver";

(v) Section XXI entitled "Enforcement";

(vi) Section XXV entitled "Notices"; and

(vii) Section XXVIII entitled "Special Representations".

The undersigned each agree that the references to the "Franchise Owner" in the Sections referenced hereinabove shall include and be applicable to each of the undersigned.

9. All capitalized terms not defined herein shall have the meanings given to them in the Agreement.

(Signature page to follow)

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty of Franchise Owner's Undertakings under seal effective as of the ________________________________.

______________________________________[SEAL]

____
Name

____

____

____
Home Address

____
Home Telephone

____
Business Telephone

____
Date

EXHIBIT K

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Gasket Guy Franchise Company, LLC ("Gasket Guy") and you are preparing to enter into a Franchise Agreement for the operation of a Gasket Guy Office. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Gasket Guy has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to it? Yes ________

2. Do you understand all the information contained in the Franchise Agreement and each exhibit and schedule attached to it? Yes ________

If no, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

____
____
____
____
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____

3. Have you received and personally reviewed Gasket Guy Franchise Disclosure Document ("Disclosure Document") we provided to you? Yes ____ No ____

4. Did you sign a receipt for the Disclosure Document indicating the date you received it?
Yes ____ No ____

5. Do you understand all of the information contained in the Disclosure Document?
Yes ____ No ____

If no, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

____
____
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____
____
____
____
____

6. Have you discussed the benefits and risks of operating Gasket Guy Franchise with an attorney, accountant or other professional advisor, and do you understand those risks?
Yes ____ No ____

7. Do you understand that the success or failure of your franchise will depend, in large part, upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic, business and market factors?
Yes ____ No ____

8. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the revenues, profits or operating costs of a Gasket Guy Office operated by Gasket Guy or its franchise owners?
Yes ____ No ____

9. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the revenues, profits or operating costs of a Gasket Guy Franchise that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

10. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise regarding the amount of money you may earn in operating Gasket Guy Franchise?
Yes ____ No ____

11. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise regarding the amount of money you may earn in operating Gasket Guy Franchise that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

12. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the total amount of revenue Gasket Guy Franchise will generate?
Yes ____ No ____

13. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the total amount of revenue Gasket Guy Franchise will generate that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

14. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise regarding the costs you may incur in operating Gasket Guy Franchise?
Yes ____ No ____

15. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise regarding the costs you may incur in operating Gasket Guy Franchise that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

16. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating Gasket Guy Franchise?
Yes ____ No ____

17. Has any employee or other person speaking on behalf of Gasket Guy made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating Gasket Guy Franchise that is contrary to, or different from, the information contained in the Disclosure Document? Yes ____ No ____

18. Has any employee or other person speaking on behalf of Gasket Guy made any statement, promise or agreement concerning the advertising, marketing, training, support, service or assistance that Gasket Guy will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document? Yes ____ No ____

19. If you have answered "Yes" to any of Questions eight (8) through eighteen (18), please provide a full explanation of your answer in the following blank lines (Attach additional pages, if necessary, and refer to them below). If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

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You understand that your answers are important to us and that we will rely on them.

To the extent that the Maryland Franchise Registration and Disclosure Law applies, 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.

For California prospective franchisees: You are not required to sign this Franchise Disclosure Questionnaire.

For Maryland prospective franchisees: This Franchise Disclosure Questionnaire will not be signed or used if you reside within, or if the franchised business will be located within, the State of Maryland.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

____

NAME OF FRANCHISE APPLICANT

____

DATE

____

SIGNATURE OF FRANCHISE APPLICANT

EXHIBIT L

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
New York	Pending
Virginia	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

RECEIPTS

RECEIPT

(KEEP THIS COPY FOR YOUR RECORDS)

This Disclosure Document summarizes certain provision of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Gasket Guy Franchise Company, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, we must give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Gasket Guy Franchise Company, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

Gasket Guy Franchise Company, LLC's sales agents for this franchise is Sean Dillon, 3001 McCall Dr., Atlanta, GA 30340, (877) 442-7538.

Issuance Date: April 30, 2025

I have received a Disclosure Document dated April 30, 2025, that included the following Exhibits:

A	Standard Franchise Agreement
B	Area Development Agreement
C	Financial Statements Of Franchisor
D	State Administrators And Agents For Service Of Process
E	State Addenda To Disclosure Document And Agreements
F-1	List Of Franchise Owners And Area Developers
F-2	List of Current Licensees
G	List Of Former Franchise Owners
H-1	Franchise Organizations We Have Created, Sponsored Or Endorsed
H-2	Independent Franchise Associations
I	Confidentiality/Nondisclosure Agreement
J	Guaranty Of Franchise Owner's Undertakings
K	Franchise Disclosure Questionnaire
L	State Effective Dates
M	Receipts

Dated: _________________________ Your name (Please print): _______________________________

Your signature: _______________________________________

Please keep this copy for your records.

RECEIPT

(OUR COPY)

This Disclosure Document summarizes certain provision of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Gasket Guy Franchise Company, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, we must give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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K	Franchise Disclosure Questionnaire
L	State Effective Dates
M	Receipts

Dated: _________________________ Your name (Please print): _______________________________

Your signature: ____

You should return one copy of the signed receipt either by signing, dating, and mailing it to Gasket Guy Franchise Company, LLC, 3001 McCall Drive, Atlanta, Georgia 30340, or by emailing it to franchising@gasketguy.com. You may keep the second copy for your records.