FRANCHISE DISCLOSURE DOCUMENT

GARAGE FORCE®

Ilfrich Integrated Solutions, Inc.
(f/k/a Garage Force International, Inc.)
a Wisconsin corporation
700 Stonebridge Avenue
Onalaska, WI 54650
(608) 209-1507
mike@garageforce.us
www.garageforce.com

Garage Force® Businesses provide products and services for residential garages, including the application and installation of coatings for concrete and concrete floors; the repair, maintenance and renovation of concrete and concrete floors; and the design and installation of cabinets and related storage accessories and organization systems.

The total investment necessary to begin operation of a Garage Force® franchise is $127,900 to $195,600. This includes $122,000 that must be paid to the Franchisor or an affiliate.

If you purchase multiple territories, then you must also pay us between $25,000 to $35,000 for each additional territory, depending upon the number of territories that you acquire. If you acquire a territory that exceeds the baseline population based upon the number of territories that you acquire, then you must also pay us an additional fee that is equal to the number of persons in the territory that exceeds the baseline population multiplied by 25 cents ($0.25).

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Mr. Michael Peterson at 700 Stonebridge Avenue, Onalaska, Wisconsin 54650, telephone number: (608) 209-1507.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "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. 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 20, 2023

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 franchisees. You can find their names and contact information in Item 20.
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 A 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 Garage Force® 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 Garage Force® franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

ILFRICH INTEGRATED SOLUTIONS, INC.
NOTICE REQUIRED BY THE STATE OF MICHIGAN

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

(B) A requirement that the Franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the Franchisee of rights and protections provided in the Michigan Franchise Investment Law. This section will not preclude the Franchisee, after entering into the Franchise Agreement, from settling any and all claims.

(C) A provision that permits the Franchisor to terminate the franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the Franchisee to comply with any lawful provisions 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 the Franchisor to refuse to renew the 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 section applies only if:

(1) The term of the franchise is less than five years; and

(2) The Franchisee is prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo-type, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise, or the Franchisee does not receive at least six months advance notice of the 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 the State of Michigan. This section will not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.

(G) A provision which permits the Franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This section does not prevent the Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

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

(2) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor.

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

(4) 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 section does not prohibit a provision that grants to the 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 section 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 section (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.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE MICHIGAN ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE MICHIGAN ATTORNEY GENERAL. ANY QUESTIONS REGARDING THE NOTICE SHOULD BE DIRECTED TO THE MICHIGAN DEPARTMENT OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, FRANCHISE SECTION, 525 W. OTTAWA STREET, WILLIAMS BUILDING, 1ST FLOOR, LANSING, MI 48933 (517) 373-7117.

ILFRICH INTEGRATED SOLUTIONS, INC.
FRANCHISE DISCLOSURE DOCUMENT

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EXHIBITS

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

Franchisor

Ilfrich Integrated Solutions, Inc. is referred to in this Disclosure Document as the "Franchisor." "You" means the person or corporation, partnership, limited liability company or other legal entity, including the entity's owners, buying the franchise from the Franchisor. The Franchisor is a corporation formed under Wisconsin law on May 12, 2014 under the name "Garage Force International, Inc." The Franchisor's name was changed to its current name on April 20, 2017. The Franchisor does business under the name Ilfrich Integrated Solutions, Inc., and maintains its offices at 700 Stonebridge Avenue, Onalaska, Wisconsin 54650. The Franchisor offers and sells franchised Garage Force® businesses ("Garage Force Businesses"). The State Agency Exhibit attached to this Disclosure Document as Exhibit G lists the Franchisor's agents for service of process.

Predecessors and Affiliates of the Franchisor

Ilfrich Integrated Systems, Inc. ("Ilfrich") is an affiliate of the Franchisor. Ilfrich is a Minnesota corporation formed on August 2, 2010. Ilfrich's principal offices are at 3002 103rd Lane NE, Blaine, Minnesota 55449. Ilfrich was the original owner of the Marks and licensed the Marks to the Franchisor for use in its franchise program. On December 30, 2015, Ilfrich assigned the ownership of the Marks to the Franchisor. Ilfrich owned and operated a Garage Force Business located in North St. Paul, Minnesota from February 2012 until April 2015 when the Business was sold to a franchisee.

Garage Force Capital, Inc. ("GF Capital") is also an affiliate of the Franchisor. GF Capital, a corporation formed under Wisconsin law on September 5, 2014, maintains its offices at 700 Stonebridge Avenue, Onalaska, Wisconsin 54650. GF Capital previously offered financing for the purchase of the Initial Equipment Package and the payment of the Initial Fee. GF Capital no longer offers financing to franchisees.

The Franchisor has no parents or predecessors. No affiliates of The Franchisor offer franchised Garage Force Businesses or franchises in any line of business or, except as disclosed in this Item and elsewhere in this Disclosure Document, provide products or services to The Franchisor's franchisees.

Franchised Business

Garage Force Businesses operate under the name "Garage Force®" using the Business System. A Garage Force Business provides products and services for residential garages, including the application and installation of coatings for concrete and concrete floors; the repair, maintenance and renovation of concrete and concrete floors; and the design and installation of cabinets and related storage accessories and organization systems. The products and services provided by Garage Force Businesses will be offered to residential customers in a developed market, and are generally not seasonal. You will compete with individuals and businesses offering the same or similar products and services to residential clients. We offer qualified franchisees the right to acquire at least one territory that as a population base of 200,000 people. Qualified franchisees may also have the ability to purchase additional or multiple territories at the outset, as well as during the term of their franchise agreement.

The Franchisor is not aware of any specific state or federal regulations applicable to Garage Force Businesses. However, you may have to comply with city, county and state regulations and requirements that apply to your Garage Force Business. The range of municipal, county or state licensing, bonding and certification requirements that may apply to your Garage Force Business will vary greatly, depending upon the location of your Garage Force Business. There may be city, county or state regulations and licensing requirements and other local and state regulations and requirements for your Garage Force Business, including regulations that require you to have a certain number of years of related experience before you can meet applicable licensing requirements and commence operating your Garage Force Business in your market area. You will need to consult with a local attorney or other qualified advisor to determine whether licensing requirements or other state or local regulations apply to a Garage Force Business operated in your market area.

Prior Business Experience of the Franchisor

The Franchisor commenced its franchise program in October 2014, and as of December 31, 2020, had 80 operational franchised Garage Force Businesses. The Franchisor has owned and operated a Garage Force Business in La Crosse, Wisconsin since May 2014. The Franchisor has not offered franchises in other lines of business, and does not conduct other business activities.

ITEM 2. BUSINESS EXPERIENCE

Michael J. Peterson: President, Chief Executive Officer, Treasurer, Secretary and Director

Mr. Peterson has been the President and a Director of the Franchisor since May 2014, and the Chief Executive Officer, Treasurer and Secretary of the Franchisor since April 2016. He has also been the President of GF Capital since September 2014.

Patrick J. Ilfrey: Director

Mr. Ilfrey has been a Director of the Franchisor since May 2014. He was the Chief Executive Officer, Secretary and Treasurer of the Franchisor from May 2014 until April 2016. He has also been the Chief Executive Officer, Secretary, Treasurer and Director of GF Capital since September 2014, and the Chief Executive Officer, Secretary, Treasurer and Director of Ilfrich since August 2010.

ITEM 3. LITIGATION

Concluded Matters:

Nevada State Contractors Board, Investigative Case No 30059900. Ilfrich Integrated Solutions, Inc. ("Franchisor") had obtained a certain contractor's license in the State of Nevada to conduct jobs in Nevada, and the specific type of license was obtained based upon communications with the Nevada State Contractor's Board (the "Board"). On or around May 12, 2022, the Board contacted Franchisor regarding the type of work that Franchisor performs and its connection to a franchisee that operates in Nevada. The Board then began to investigate whether Franchisor had the proper license to perform certain types of work and whether the Franchisee was permitted to operate under the Franchisor's license in the manner it was doing so. Franchisor denied all wrongdoing and contended that it was not required to obtain the permit alleged by the Board. On December 29, 2022, the Board issued a Notice of Hearing, Complaint and Requirement to Answer, wherein the Board formally alleged that Franchisor obtained the wrong type of license and that the Company improperly permitted Franchisee to perform work under the Company's license, thereby violating Nevada statute NRS 624.3014(2) and 624.3014(3). On February 21, 2023, the Administrative Judge overseeing the matter entered an order consenting to a settlement agreement between Franchisor and the Board, which included Franchisor pleading guilty to one count of a violation of each statute, paying the Board a total of $21,146 in fines and costs, and Franchisor being placed on probation for one year.

No other litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy proceedings are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Initial Fee

You will pay an Initial Fee based upon the number of Franchised Territories you purchase and the population within those Franchised Territories according to the chart below:

Total Number of Franchised Territories	Baseline Initial Franchise Fee	Total Baseline Population
1	$49,500	200,000
2	$84,500	400,000
3	$114,500	600,000
4	$139,500	800,000
5	$164,500	1,000,000

If we permit you to purchase one or more Franchised Territories that exceed the respective baseline population, then you must pay Franchisor an additional fee in an amount equal to the number of persons in your Franchised Territory that exceeds the baseline population multiplied by 25 cents ($0.25) (the "Additional Population Fee"). For example, if you are approved for two Franchised Territories with a combined population of 450,000, your total initial franchise fees will equal $97,000, as follows:

Baseline Initial Franchise Fee	$84,500
Additional Population Fee (add'l 50,000 x $0.25)	$12,500
TOTAL	$97,000

The Initial Fee will be paid in full to the Franchisor when you sign the Franchise Agreement. The Initial Fee is non-refundable and is fully earned when it is paid.

Initial Equipment Package

You will pay Franchisor a lump sum of $60,000 for the purchase of the Initial Equipment Package at or before you attend our initial training program. The Initial Equipment Package includes a trailer displaying the required graphics, and the equipment, supplies, items, marketing materials and apparel needed to commence business. The payment for the Initial Equipment Package is non-refundable and is fully earned when paid.

Otherwise, you do not pay any other fees or make payments to the Franchisor or an affiliate for products or services before your Garage Force Business opens.

The amounts paid or financed by franchisees for the Initial Fee and the Initial Equipment Package were uniform in 2022, except for three franchises that were sold to existing franchisees that acquired additional territories and each paid an initial franchise fee equal to $25,000.

Initial Coating Products

Before opening your Garage Force Business, you must purchase from Franchisor initial coating products in the amount of $10,000. The payment for the initial coating products is non-refundable and is fully earned when paid.

Opening Assistance

If within 60 days after you and your General Manager have successfully completed the Franchisor's initial training program, you request in writing that the Franchisor provide opening assistance, the Franchisor will provide up to three days of on-the-job training and opening assistance with the initial operations of your Franchised Business in the Franchised Territory. You will reimburse the Franchisor for the travel expenses incurred by the Franchisor's personnel to provide opening assistance, which we estimate to cost approximately $2,500. The reimbursements are non-refundable.

ITEM 6. OTHER FEES

Name of Fee [1]	Amount	Date Due	Remarks
Continuing Fee [2]	5% of your Gross Revenues	3 days after Gross Revenues are received by you	Gross Revenues include the total dollar income resulting from all sales from your Garage Force Business. Gross Revenues does not include sales, use or gross receipt taxes.
Branding Fees [2][3]	1% of your Gross Revenues	3 days after Gross Revenues are received by you	Until the Branding Fund is established by the Franchisor, Branding Fees will be paid to the Franchisor and the Branding Fee payments will be retained by the Franchisor until you furnish written evidence satisfactory to the Franchisor that you have made advertising expenditures in amounts equal to the Branding Fee payments made by you. Upon receipt of such proof, the Franchisor will refund the Branding Fee payments made by you. After the establishment of the Branding Fund, all Branding Fees will be deposited in the Branding Fund administered and controlled by the Franchisor.
Digital Marketing Fees	Currently, a total of $1,000 each month	Monthly	At the Franchisor's option, it may collect the digital marketing fees ("Digital Marketing Fees") itself, or require you to pay it directly to the Franchisor's designated vendor. Currently, you must pay a total of $1,000 each month for the Digital Marketing Fees, which currently includes search engine optimization and pay-per-click advertisements, and other related services that the Franchisor may recommend or require. The Franchisor will credit the Digital Marketing Fees that you pay towards your approved monthly local advertising requirements. You will only need to pay one Digital Marketing Fee each month per contiguous Franchised Territory area. For example, if your all of your Franchised Territories are contiguous, then you would currently only have to pay $1,000 each month. However, if, for example, you have two separate non-contiguous Franchised Territories, then you would currently have to pay a total of $2,000 each month.
Technology Fee	Our then-current fee, currently $500	Annually	You must pay us our then-current technology fee ("Technology Fee") each year. The Technology Fee may be used in connection with developing, researching, installing, implementing, using, hosting, modifying, upgrading, or maintaining any software, hardware, websites, platforms, applications, or for any other technology-related purposes we deem appropriate in our sole discretion. As with the Digital Marketing Fees, we will only require you to pay one Technology Fee per contiguous Franchised Territory area that you are granted to operate in.

Name of Fee [1]	Amount	Date Due	Remarks
Audit Fees	Amount the Franchisor incurs to audit your Garage Force Business; generally estimated to range from $2,500 to $ 5,000	Within 10 days after receipt of an invoice	Payable only if an audit by the Franchisor reveals that you understated your Gross Revenues by more than 2% or you underpaid your Continuing Fees by more than $500 in any 12-month period.
Transfer Fee	20% of then-current initial franchise fee	Before the date you transfer the Franchise Agreement or a controlling interest in the entity that is the Franchisee	The Franchisor must approve the transfer. The Transfer Fee includes training for the transferee and the transferee's General Manager.
Late Payment Fee	$250	On demand	Applies if you do not make Continuing Fee or Branding Fee when due.
Collection Costs for Unpaid Fees	Amount the Franchisor incurs to collect unpaid Continuing Fees, Branding Fees or other payments	On demand	Includes the amount of actual attorneys' fees, deposition costs, expert witness fees, investigation costs, accounting fees, filing fees and travel expenses.
Interest Charges for Unpaid Fees	The lesser of 18% per annum or the maximum legal rate allowable in the state in which your Garage Force Business is located	On demand	Applies to past due payments of Continuing Fees and Branding Fees.
Opening Assistance	Our representative's travel expenses	Within 10 day after receipt of invoice	You will reimburse the Franchisor for the travel expenses incurred by its personnel to provide up to three days of opening assistance for your Garage Force Business in your Franchised Territory.
Consulting Services	Currently $375 per day plus travel expenses	Within 10 day after receipt of invoice	Upon your reasonable request, or if required by Franchisor, Franchisor may provide consulting services to you for your Garage Force Business in your Franchised Territory.
Additional Training	Currently $250 per day plus training expenses	Within 10 day after receipt of invoice	Applies if the Franchisor provides the initial training program to more than two people or provides more than five days of initial training before you open your Garage Force Business, if the Franchisor determines that additional training is necessary or if the Franchisor provides additional training after you commence business. If the Franchisor provides additional training in your Franchised Territory, you will also reimburse the Franchisor for all travel expenses incurred the Franchisor.
Renewal Fee	20% of the Franchisor's then-current Initial Fee	When you sign a new Franchise Agreement after expiration of the initial 10-year term of the Franchise Agreement	Applies only if you elect to continue to operate your Garage Force Business after the expiration of the Franchise Agreement.

Name of Fee [1]	Amount	Date Due	Remarks
Review of Unapproved Supplier	Estimated to range from $1,000 to $2,500	Within 10 days after receipt of invoice	You must reimburse the Franchisor for the expenses it incurs inspecting or evaluating an unapproved supplier; payable only if you request that the Franchisor review and approve a previously unapproved supplier (see Item 8).
Additional Territory Fee	$0.25 per person in the additional area(s)	Within 10 days after receipt of invoice	If more than 5% of your annual Gross Revenues is generated from the sale of products or services to customers outside of your Franchised Territory, then the Franchisor may require you to purchase additional areas surrounding your Franchised Territory at the Additional Territory Fee rate so that at least 95% of your Gross Revenue will be generated within your Franchised Territory. (see Item 12).

Notes to Table in this Item:

(1) Each fee is paid to the Franchisor and is uniform, unless otherwise noted. Different versions of the Franchise Agreement effective during prior and future registration periods may require the payment of different fees, due dates and fee amounts by franchisees to the Franchisor. Except as disclosed above in this Item, all fees are nonrefundable.

(2) Payments will be made by pre-authorized electronic funds transfer (see Article 14.6 of the Franchise Agreement and the Authorization of Electronic Funds Transfer attached as an exhibit to the Franchise Agreement).

(3) In addition to payment of Branding Fees, you must also spend at least 5% of your monthly Gross Revenues for approved local advertising in your Franchised Territory. Payments for local advertising are paid to local advertising suppliers, not the Franchisor. You will provide local advertising reports to the Franchisor by the 10th day of each calendar month for the local advertising spend in the immediately preceding calendar month. If you fail to spend the required percentage of your monthly Gross Revenues for approved local advertising for your Franchised Business, then you may be required to deposit with the Franchisor the difference between the amount that you should have been spent for approved advertising and the amount that was actually spent, and that amount will be spent on advertising, promotion and related administrative expenses as deemed appropriate by the Franchisor. There are no local or regional advertising cooperatives or associations for Garage Force Businesses. The Franchisor will credit the Digital Marketing Fees that you pay towards your local advertising spend requirements.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expense	Amount (Low-High) [1]		Method of Payment [2]	When Due	To Whom Payment is Made
Initial Fee [3]	$49,500	$49,500	Lump Sum	When You Sign Franchise Agreement	Franchisor
Initial Equipment Package [4]	$60,000	$60,000	Lump Sum	At or before training	Franchisor
Initial Coating Products [5]	$10,000	$10,000	Lump Sum	At or before training	Franchisor
Wages, Travel and Living Expenses for You and Your General Manager During Initial Training Program [6]	$1,000	$5,000	As Incurred	During Training	Employees, Airlines, Hotels and Restaurants
Computer Hardware and Software [7]	$600	$5,000	As Incurred	Before Opening	Suppliers
Office and Storage Space (3 Months) [8]	$0	$3,000	As Incurred	As Incurred	Landlord
Vehicle [9]	$1,500	$41,500	As Incurred	As Incurred	Supplier

Type of Expense	Amount (Low-High) (1)		Method of Payment (2)	When Due	To Whom Payment is Made
Office Furniture, Supplies and Equipment (10)	$0	$2,500	As Incurred	As Incurred	Suppliers
Insurance (3 Months)	$300	$2,100	As Incurred	As Incurred	Insurance Companies
Professional Services (Legal, Accounting, Payroll Services, etc.)	$900	$1,900	As Incurred	As Incurred	Attorneys and Accountants
Opening Assistance and Travel Expenses (11)	$0	$2,500	Lump Sum	10 days after receipt of invoice	Franchisor
Grand Opening Advertising (12)	$500	$500	As Incurred	During First 90 Days of Operation	Advertising Suppliers
Additional Funds (3 Months) (13)	$3,600	$12,100	As Incurred	As Incurred	Franchisor, Suppliers, Government Agencies and Utilities
Total (14)	**$127,900**	**$195,600**			

Notes to Initial Investment Chart in this Item:

(1) For the estimated range of costs disclosed in this Item, the Franchisor relied on its management's experience in the business (see Item 2). You should carefully review these figures with your business advisor before making any decision to purchase a franchised Garage Force Business.

(2) Payments are not refundable unless otherwise noted.

(3) You must pay the Initial Fee in a lump sum when you sign the Franchise Agreement. You will pay an Initial Fee based upon the number of Franchised Territories you purchase and the population within those Franchised Territories. If we permit you to purchase one or more Franchised Territories that exceed the respective baseline population, then you must pay Franchisor an additional fee in an amount equal to the number of persons in your Franchised Territory that exceeds the baseline population multiplied by 25 cents ($0.25). See Item 5 for more information about calculating the Initial Fee. The estimated range of the Initial Fee in the above chart estimates that you will purchase one Franchised Territory with a population of 200,000 people.

(4) You must pay for the Initial Equipment Package at or before you attend the initial training program.

(5) You must purchase the Initial Coating Products before you open and begin operations of your Garage Force Business.

(6) You must pay for the salaries, fringe benefits, travel costs, lodging, food, automobile rental and other expenses you and your General Manager incur while attending the initial training program.

(7) You must purchase a tablet and portable color printer for use in your Garage Force Business, as well as other equipment approved by us. You must also obtain the required or recommended computer hardware and software needed for the operation of your Garage Force Business if you do not already own it (see Item 11 for more detailed information on your computer requirements).

(8) You will need office and storage space for your Garage Force Business located in your Franchised Territory. The estimated low cost assumes that the office and storage space for your Garage Force Business is in your residence.

(9) You will need a truck, van or other vehicle for your Garage Force Business to transport the trailer containing equipment, products and supplies to job site locations in your Franchised Territory. Your vehicle must meet the standards and requirements established by the Franchisor. You must also purchase a wrap for the vehicle that bears the Marks (as defined in Item 13) and meets our standards and specifications. The estimated low amount assumes that you already own the vehicle that you will use in your Garage Force Business. If you do not own a vehicle with sufficient towing capacity and you finance the purchase of the vehicle for your Garage Force Business, it is estimated that you will make a down payment ranging from $0 to $5,000, with monthly payments of from $275 to $725 over a five-year term. If you purchase a vehicle outright, the estimated cost is approximately $12,000 to $40,000, depending upon the year, make and condition of the vehicle, and the location of your Garage Force Business.

(10) You may need to purchase an initial supply of office furniture, supplies and equipment for your Garage Force Business.

(11) If within 60 days after you and your General Manager have successfully completed the Franchisor's initial training program, you request in writing that the Franchisor provide opening assistance, the Franchisor will provide up to three days of on-the-job training and opening assistance with the initial operations of your Franchised Business in the Franchised Territory. You will reimburse the Franchisor for the travel expenses incurred by the Franchisor's personnel to provide opening assistance within 10 days after receiving an invoice indicating the amount owed.

(12) You will spend at least $500 on the grand opening advertising for your Garage Force Business within 90 days of commencing business.

(13) You will need additional funds for an initial period of operations of three months for expenditures that will not be offset by operating revenues. You will need funds during the first three months of the operation of your Garage Force Business for such items as salaries, utilities, taxes, financing payments, licenses and permits, Continuing Fees, Branding Fees, local advertising expenditures and other miscellaneous operating costs. Your working capital requirements may increase or decrease depending upon the size, location and revenues of your Garage Force Business and other economic factors. For the estimated range of additional funds, the Franchisor relied on its estimate of average costs and prevailing market conditions, and its management's and its franchisees' experiences in the initial operations of the company-owned and franchised Garage Force Businesses.

(14) These figures are estimates only, and it is possible that you may incur additional or greater expenses during the first three months of the operation of your Garage Force Business. Your costs during this period will vary depending on the geographic area in which your Garage Force Business is located, your management skills and business acumen, economic and market conditions, competition, number of employees, wage rates, sales levels attained, and other economic factors.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Obligation to Purchase or Lease Products or Services Only from the Franchisor or Affiliate

The Franchisor may be a designated supplier for the equipment, supplies and materials needed to open and operate Garage Force Businesses. The Franchisor will inform you in writing of the designated suppliers for your equipment, supplies and materials, and will notify you of any added or deleted designated suppliers.

Before you can commence business, you are required by the terms of the Franchise Agreement to acquire the Initial Equipment Package for your Garage Force Business by paying the Franchisor $50,000 at or before you attend the Franchisor's initial training program. You also agree to acquire the Initial Coating Products for your Garage Force Business by paying the Franchisor $10,000 before you open your Garage Force Business. The Initial Equipment Package includes a trailer displaying the required graphics, and the equipment, supplies, items, marketing materials and apparel for your initial operations. The Initial Coating Products includes the amount of coating products that are typically sufficient for the first several projects, depending upon the scale and scope of the projects. The Franchisor is currently the only designated supplier for the Initial Equipment Package and Initial Coating Supplies needed to commence business. Items in the Initial Coating Products and Initial Equipment Package sold to you by the Franchisor can include a pricing mark up. The Franchisor will generate revenue and make a profit from the purchase of the Initial Equipment Package and Initial Coating Products by you.

The Franchisor is currently the only designated supplier for most of the equipment, supplies and materials required for your Garage Force Business. You are not permitted to substitute any new supplier or any other designated supplier, or to request or require that the Franchisor appoint any new supplier as a designated supplier, without the Franchisor's prior written consent. You are required to purchase or lease the Initial Equipment Package and to purchase your equipment, supplies and materials only from the suppliers designated by the Franchisor to ensure that you maintain the uniformity and quality standards required of all Garage Force Businesses. The Franchisor can charge you more than it costs to procure and provide to you the equipment, supplies and materials needed to open your Garage Force Business and used in the operation of your Business after you commence business.

Patrick Ilfrey is a Director of the Franchisor and has an ownership interest in the Franchisor. No officer of the Franchisor owns an interest in any designated or approved supplier.

Except as disclosed in this Item, you are not currently required to purchase or lease any products or services only from the Franchisor or from an affiliate of the Franchisor.

Obligation to Purchase or Lease Products or Services from Approved Suppliers

You may have to purchase or lease certain products and services only from suppliers that have been approved by the Franchisor. The Franchisor will provide a written list of the approved suppliers for these products and services, and will notify you of any additions to or deletions from this list. Requiring you to purchase or lease certain products and services only from approved suppliers may be necessary to ensure that you adhere to the uniformity requirements and quality standards associated with Garage Force Businesses.

If you want to purchase certain products or services subject to the Franchisor's approved supplier requirements from a previously unapproved supplier, then you must, at your expense, send representative samples or specifications of that supplier's products or services, and provide certain information about the supplier's products and business to the Franchisor. The Franchisor can also inspect the supplier's facilities, at your expense. Within 30 days after receiving the necessary samples and information, the Franchisor will notify you in writing whether the products or services of the supplier comply with the Franchisor's uniformity requirements, quality standards and specifications, and whether the supplier's business reputation, delivery performance, credit rating and other relevant information are satisfactory. The Franchisor reserves the right to revoke supplier approval by written notification to you and the supplier if the supplier or the supplier's products or services no longer meet the Franchisor's criteria. The Franchisor's criteria for supplier approval will be available to franchisees upon request. No products and services are currently subject to the Franchisor's approved supplier requirements.

The Franchisor currently has a designated vendor for digital marketing services, that you must use in connection with the Digital Marketing Fees or otherwise. The Franchisor also has an approved supplier for accounting services, which you may, but are not required to, use.

You may have to purchase and use in your Garage Force Business certain brand name products. You can purchase these brand name products from any supplier.

Obligation to Purchase or Lease Products or Services that Comply with the Franchisor's Standards and Specifications

You may have to purchase or lease certain specific products and services which satisfy the Franchisor's written standards and specifications. This requirement is necessary to insure that you adhere to the standards and specifications associated with all Garage Force Businesses. Products and services currently subject to the Franchisor's standards and specifications include your insurance requirements and the computer system and the vehicle used in your Business (see Item 11). The Franchisor will provide you with a written copy of these standards and specifications. The Franchisor formulates its standards and specifications at its sole discretion. The Franchisor can periodically modify its written standards and specifications, and you must comply with any modifications. You must ensure that all products and services you select conform to the Franchisor's standards and specifications. The Franchisor reserves the right to reject any products or services you obtain from any unapproved supplier if they fail to meet the Franchisor's standards and specifications.

You will procure and maintain the general liability insurance with coverage of least $2,000,000, vehicle insurance with coverage of at least $1,000,000, property insurance with coverage for at least replacement cost, umbrella liability insurance coverage of at least $2,000,000 and other insurance required by law for your Garage Force Business from insurance companies acceptable to the Franchisor that are licensed in the state where your Garage Force Business is located.

The Franchisor has the right to establish standards and specifications for your computer hardware and software, and to make modifications and updates to these standards and specifications. The Franchisor currently recommends that you have a personal computer for use only in your Garage Force Business with Microsoft Office and invoicing software. Otherwise, as of the issuance date of this disclosure document, the Franchisor does not currently require or suggest any particular computer hardware or software for your Garage Force Business, but may do so in the future.

Revenues from Franchisee Purchases

The Franchisor and its affiliates may receive income in the form of rebates, discounts, allowances or other payments or credits from designated or approved suppliers that sell products or services to franchisees. In some cases, prices charged by suppliers to affiliate-owned businesses may be less than prices charged to franchised businesses based on volume, credits, administrative costs or other factors. If the Franchisor or its affiliate receives any rebates or other payments from a supplier as a result of your purchases from a supplier, those payments will be the exclusive property of the Franchisor or the affiliate. You will not have any right to receive the payments made by suppliers to the Franchisor or the Franchisor's affiliates.

During 2022, the Franchisor received payments totaling $8,921,152 from franchisees purchasing the Initial Equipment Package for their Garage Force Businesses as well as other products and supplies that franchisees must purchase from the Franchisor. Based upon the audited financial statements for the Franchisor attached as Exhibit A to this Disclosure Document, these revenues were 80% of the Franchisor's total revenues of $11,128,872 for the fiscal year ending December 31, 2022. GF Capital received payments during 2022 totaling $112,502 from franchisees that financed the Initial Fee and the Initial Equipment Package. Otherwise, the Franchisor and its affiliates did not derive any revenue or other material consideration based upon your purchases or leases of products and services from designated or approved suppliers in the last fiscal year.

The Franchisor estimates that purchases of products and services from designated or approved suppliers or that must meet the Franchisor's standards and specifications will constitute approximately 90% of your initial investment and 75% of the ongoing expenses to operate your Garage Force Business on an annual basis.

The Franchisor has not negotiated purchase arrangements with suppliers for the benefit of franchisees, and has not established purchasing or distribution cooperatives. The Franchisor does not provide to you any material benefits, such as renewal rights or the right to purchase additional franchises, based upon your use of designated or approved suppliers.

Except as described above in this Item 8, you need not purchase any products or services from designated or approved suppliers or that meet the Franchisor's standards and specifications.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

	Obligation	Article in Franchise Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Not applicable	Item 11
b.	Pre-opening purchases/leases	Articles 4.2, 10, 11.6 and 12	Items 5, 7, 8 and 11
c.	Site development and other pre-opening requirements	Articles 10, 11.6 and 12	Item 11
d.	Initial and ongoing training	Article 8	Item 11
e.	Opening	Article 8.3	Item 11
f.	Fees	Articles 2.2, 4, 5, 6 and 16.7	Items 5, 6 and 7
g.	Compliance with standards and policies/ Operating Manual	Articles 7, 10, 11, 12 and 13	Item 11
h.	Trademarks and proprietary information	Articles 3 and 7	Items 13 and 14
i.	Restrictions on products/services offered	Article 10	Items 8 and 16
j.	Warranty and customer service requirements	Articles 11.1 and 11.17	Not applicable
k.	Territorial development and sales quotas	Article 1.1	Item 12
l.	Ongoing product/service purchases	Articles 10 and 12	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Articles 11.6 and 11.8	Item 11
n.	Insurance	Article 13	Items 7 and 8
o.	Advertising	Article 6	Items 6 and 11
p.	Indemnification	Article 22.1	Not applicable
q.	Owner's participation/management/staffing	Articles 8.1 and 11.17	Items 11 and 15
r.	Records/reports	Article 14	Item 6
s.	Inspections/audits	Articles 11.21 and 14.5	Items 6 and 11
t.	Transfer	Article 16	Item 17
u.	Renewal	Article 2.2	Item 17
v.	Post-termination obligations	Article 19	Item 17
w.	Non-competition covenants	Article 20	Item 17
x.	Dispute resolution	Article 26	Item 17

ITEM 10. FINANCING

We do not offer any direct or indirect financing, nor do we guarantee your obligations.

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

Except as listed below, the Franchisor is not required to provide you with any assistance.

Pre-Opening Obligations:

(1) The Franchisor will designate your Franchised Territory (see Article 1.1 of the Franchise Agreement). The Franchisor will define your Franchised Territory in your Franchise Agreement by either a written description or a map attached as an exhibit to the Franchise Agreement. The Franchisor will not select or approve the site for the office for your Garage Force Business. The Franchisor does not review, evaluate or approve the location of your office in the Franchised Territory or the relocation of your office to another location in the Franchised Territory (see Item 12). Your office and storage space may be located at your residence, but if you do not have adequate space, then you will need to acquire or lease suitable office and/or storage space. You must open and commence operating your Garage Force Business in your Franchised Territory within six months after the date of the Franchise Agreement, or the Franchisor will have the right to terminate the Franchise Agreement (see Article 17(a) of the Franchise Agreement).

(2) The Franchisor will permit electronic access to the Operations Manual (see Article 7 of the Franchise Agreement). The Operations Manual is currently only available on-line, is confidential and will remain the property of the Franchisor during and after the term of the Franchise Agreement. You will be allowed to view the Operations Manual on-line before you sign the Franchise Agreement.

(3) The Franchisor will provide a written schedule of the furniture, fixtures, supplies, equipment and services required for your Garage Force Business (see Article 9.1(a) of the Franchise Agreement).

(4) The Franchisor will designate the supplier of the Initial Equipment Package required for you to commence operating your Garage Force Business (see Article 4.2 of the Franchise Agreement).

(5) The Franchisor will provide a list of the designated and approved suppliers for certain products and services required by the Franchisor for your Garage Force Business (see Articles 9.1(b) and 10 of the Franchise Agreement).

(6) The Franchisor will make available to you basic accounting and business procedures for use in your Garage Force Business (see Article 9.1(c) of the Franchise Agreement).

(7) The Franchisor will provide an initial training program for you and your General Manager (see Article 8.1 of the Franchise Agreement and below in this Item).

(8) The Franchisor will assist with and approve the opening of your Garage Force Business (see Article 8.3 of the Franchise Agreement). If requested by you, the Franchisor will provide up to three days of opening assistance in your Franchised Territory within 60 days after you complete the initial training program. You will pay the Franchisor for the travel expenses incurred by the individual(s) who provide opening assistance in your Franchised Territory.

Length of Time Until Opening

Generally, you will open your Garage Force Business within 60 to 90 days after you sign the Franchise Agreement. Factors which will affect your opening date include acquiring the Initial Equipment Package, establishing your office in the Franchised Territory and completing training. You must obtain written approval from the Franchisor to open your Garage Force Business. You must open and commence operating your Garage Force Business within six months after you sign the Franchise Agreement, or you will be in breach of the Franchise Agreement.

Assistance During the Operation of your Garage Force Business

(1) The Franchisor will occasionally review your Garage Force Business and give you written reports as deemed necessary by the Franchisor (see Article 9.1(e) of the Franchise Agreement).

(2) The Franchisor will legally protect the Marks and the Business System (see Article 3 and Article 9.1(f) of the Franchise Agreement).

(3) The Franchisor will provide access to supplements and modifications to the Operations Manual (see Article 9.1(g) of the Franchise Agreement).

(4) The Franchisor will provide the names and addresses of newly approved or designated suppliers (see Article 9.1(b) of the Franchise Agreement).

(5) The Franchisor will provide advisory services by telephone or in writing (see Article 9.1(h) of the Franchise Agreement).

(6) Upon your reasonable request, or if required by the Franchisor, the Franchisor may provide consulting services to you in your Franchised Territory, subject to the availability of the Franchisor's personnel (see Article 9.2 of the Franchise Agreement). You will pay the Franchisor its then-current charge for consulting services (see Item 6), and will pay the travel expenses and other costs incurred by the individual(s) providing the consulting services.

Advertising

(1) The Franchisor will occasionally make advertising and marketing recommendations (see Article 9.1(d) of the Franchise Agreement).

(2) The Franchisor will review the advertising, promotion, marketing, public relations or telemarketing programs or campaigns which you propose to use for your Garage Force Business. You will create your own advertising, marketing or public relations materials and will submit all proposed advertising and promotion concepts, materials and media to the Franchisor in writing for its approval. Upon receipt of the Franchisor's written approval, you may disseminate these materials via the method approved by the Franchisor. You will conduct local advertising or promotion for your Garage Force Business after the Franchisor has approved your advertising and promotion concepts, materials and media. You must spend at least 5% of your Gross Revenues generated in the immediately preceding calendar month on approved local advertising (see Article 6.10 of the Franchise Agreement). If you fail to meet this minimum requirement, you will have to deposit with the Franchisor the difference between what you should have spent and what you actually spent, which the Franchisor will spend as deemed appropriate by the Franchisor. You do not have to participate in a local or regional advertising cooperative or association.

(3) You must pay the Digital Marketing Fees in the manner and method set forth in the Operations Manual or as Franchisor otherwise sets forth in writing. At the Franchisor's option, it may collect the Digital Marketing Fees itself, or require you to pay it directly to the Franchisor's designated vendor. Currently, you must pay a total of $1,000 each month per contiguous Franchised Territory area for the Digital Marketing Fees, which currently includes search engine optimization and pay-per-click advertisements, and other related services that the Franchisor may recommend or require. The Franchisor will credit the Digital Marketing Fees that you pay towards your approved monthly local advertising requirements.

(4) You will spend a minimum of $500 for a grand opening advertisement and promotional campaign for your Franchised Business during your first 90 days of operation.

(5) The Franchisor has the right to require that you make monthly payments to the Franchisor for deposit in an account (the "Branding Fund") administered and controlled by the Franchisor. Once the Branding Fund is established, you will pay a Branding Fee to the Franchisor equal to 1% of your monthly Gross Revenues for deposit into the Branding Fund (see Article 6.1 of the Franchise Agreement). Other Garage Force franchisees will also pay a Branding Fee equal to 1% of their monthly Gross Revenues. The Garage Force Businesses owned by the Franchisor will deposit 1% of their monthly Revenues into the Branding Fund.

The Franchisor will determine when, how and where the payments deposited into the Branding Fund will be spent. The Franchisor will have the discretion to spend the monies in the Branding Fund on any print, broadcast, electronic or social media deemed appropriate by the Franchisor for local, regional or national advertising developed in-house or by an advertising agency or any other source. The Franchisor does not have to spend the monies in the Branding Fund in any particular market and will not have to make expenditures from the Branding Fund in your Franchised Territory in proportion to the Branding Fees paid by you. The Franchisor does not have to spend the monies in the Branding Fund in the calendar year in which the payments were made. Payments to the Branding Fund not spent in the calendar year in which they were paid and the interest accrued will remain in the Branding Fund. The Franchisor does not intend to use the monies in the Branding Fund for the direct solicitation of prospective franchisees. All administrative and other costs associated with or incurred by the Franchisor in the administration of or by the Branding Fund will be paid from the Branding Fees deposited into the Branding Fund.

The Branding Fund will not be audited. The Franchisor will prepare an unaudited summary of the income and expenses of the Branding Fund each calendar year, which will be available for review by franchisees upon reasonable written request. No expenditures were made from the Branding Fund in 2022.

Until the Branding Fund is established by the Franchisor, you will pay the 1% monthly Branding Fees to the Franchisor, and the Franchisor will retain these Branding Fee payments until you submit satisfactory written evidence that you made advertising expenditures to promote your Garage Force Business in your Franchised Territory in an amount equal to the Branding Fee payments made by you each month. Upon receipt of sufficient written proof of your approved advertising expenditures, The Franchisor will periodically reimburse you for the Branding Fee payments made by you in prior months.

There is no franchisee advertising council that advises the Franchisor on advertising policies.

We may provide you suggested retail prices for the products and services offered by your Franchised Business and, to the extent permitted by applicable law, we may require that you adhere to our suggested minimum and/or maximum prices.

<u>Computer System</u>

The Franchisor has the right to establish standards and specifications for your computer hardware and software, and to make modifications and updates to these standards and specifications (see Article 12 of the Franchise Agreement). The Franchisor currently recommends that you have or acquire a personal computer for use only in your Garage Force Business with Microsoft Office and invoicing software. Otherwise, as of the issuance date of this disclosure document, the Franchisor does not currently require or suggest any particular computer hardware or software for your Garage Force Business, but may do so in the future. Your initial expenditures for your computer hardware and software are estimated to be approximately $5,000 if you do not already own a personal computer for use in your Garage Force Business.

The computer equipment and software will help you manage your Garage Force Business. Your computer system will perform word processing, accounting, contact management, record keeping, scheduling, Internet access and e-mail functions for your Garage Force Business. The Franchisor has the right to require that it have independent access the information and data stored in the computer system for your Garage Force Business. There is no contractual limitation on this right.

You must pay us a Technology Fee, currently $500, which we may use in connection with developing, researching, installing, implementing, using, hosting, modifying, upgrading, or maintaining any software, hardware, websites, platforms, applications, or for any other technology-related purposes we deem appropriate in our sole discretion. As with the Digital Marketing Fees, we will only require you to pay one Technology Fee per contiguous Franchised Territory area that you are granted to operate in.

Neither the Franchisor nor an affiliate will supply, maintain, repair or update your computer system. Office equipment, computer hardware and peripherals, third party maintenance agreements, and computer software and operating systems are all available through commercial office and telecommunications equipment, and computer hardware and software vendors. The Franchisor may require you to update your computer hardware and software by purchasing more memory or disk space, additional computer hardware and software, network operating systems, file servers and/or new computer hardware or software. There are no contractual limitations on the frequency or cost of the computer hardware and software updates you must make. The Franchisor is unable to predict the annual cost of any required computer hardware or software updates, but estimates for this cost will typically range from $250 to $500 per year.

Training

After you sign the Franchise Agreement and pay the Initial Fee, the Franchisor will train you and your General Manager for a minimum of five consecutive days (which may be longer than eight hours per day) (see Article 8.1 of the Franchise Agreement). You and your General Manager must successfully complete the initial training program to the Franchisor's satisfaction before you will be allowed to commence business. The Franchisor offers training courses as often as is necessary for new franchisees and general managers. The training program includes classroom and on-the-job instruction on the topics described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Operating Garage Force Business	6	2	La Crosse, WI or another location designated by the Franchisor
Floor System Installation	22 to 24	16	La Crosse, WI or another location designated by the Franchisor
Marketing	2 to 4	0	La Crosse, WI or another location designated by the Franchisor
Public Relations	1 to 2	0	La Crosse, WI or another location designated by the Franchisor

The initial training program is conducted by Michael Peterson whose background and employment history is disclosed in Item 2. Mr. Peterson has been involved in the operations of the Franchisor as its President since the Franchisor's inception in May 2014. The initial training program will be held by the Franchisor as often as necessary. Instructional materials include the Franchisor's Operations Manual and Citadel Floor training materials. The Franchisor provides the initial training program for two people at no additional cost, other than the Initial Fee. If you choose to have more than two people attend training or if more than five days of training are necessary, as determined by the Franchisor, you must pay the Franchisor a training fee of $250 per day per person (see Item 6).

You and your General Manager attend and successfully complete the initial training program within 60 days after the date of the Franchise Agreement approximately 15 days before you open your Garage Force Business. You must pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental costs and all other expenses incurred by you, your General Manager and all other persons who attend the initial training program and any additional training for your Garage Force Business. The Franchisor currently does not require any additional training programs or refresher courses, but has the right to do so in the future.

ITEM 12. TERRITORY

You will have the right to operate your Garage Force Business within a defined geographic area (the "Franchised Territory"). You may not use the Marks, operate your Garage Force Business, or solicit or accept orders at any location or within any area other than in the Franchised Territory without first obtaining the Franchisor's consent. The Franchisor will define your Franchised Territory in the Franchise Agreement by using a written description (for example, by zip codes or counties) and/or a map attached to the Franchise Agreement. The boundaries of your Franchised Territory will be based upon population, with each full-sized Franchised Territory containing a population of approximately 200,000 individuals.

If more than 5% of your annual Gross Revenues is generated from the sale of products or services to customers outside of your Franchised Territory, then the Franchisor may require you to purchase an additional area(s) surrounding your Franchised Territory, by paying the Franchisor an additional fee (the "Additional Territory Fee"), so that at least 95% of your annual Gross Revenue will be generated within your Franchised Territory. The Additional Territory Fee will be an amount equal to the number of people within the additional area(s) that you acquire multiplied by 25 cents ($0.25). If you purchase any area(s) outside of the Franchised Territory, those additional area(s) will then constitute a part of your Franchised Territory. In no event will the Franchisor be obligated to sell any area outside of your Franchised Territory to you, regardless of whether you have offered or sold products or services within that area. Franchisor may determine whether to sell any area outside of your Franchised Territory to you, to another existing Garage Force franchisee, or to a new Garage Force franchisee, in the Franchisor's sole discretion and for any reason. Furthermore, the Franchisor is under no obligation to sell any additional areas or Franchised Territories to you upon your request.

The Franchisor does not review, evaluate or approve the location or the relocation of your office in the Franchised Territory. Your office and storage space may be located at your residence, but if you do not have adequate space, then you will need to acquire or lease suitable office and/or storage space. The Franchise Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional franchises within your Franchised Territory or in contiguous areas.

You will receive an exclusive territory. Your Franchised Territory will be protected to the extent that the Franchisor will not develop, open or operate other Garage Force Businesses, company or affiliate-owned or franchised, that are located or operated within your Franchised Territory as long as you are in compliance with your Franchise Agreement.

Your rights within your Franchised Territory will be dependent on achieving any certain sales volume, market penetration or other contingency. After the Garage Force Business has been open and operating for one full year, you will be required to achieve a minimum of $75,000 in Gross Revenue each year in each Franchised Territory that you have (the "Minimum Sales Requirement"). If you fail to achieve the Minimum Sales Requirement in any given year in any Franchised Territory, then the Franchisor may at its option: (i) terminate any territorial rights you have within the Franchised Territories; or (ii) terminate your Franchise Agreement. The Franchisor is not required to take either action in the event you fail to achieve the Minimum Sales Requirement described above, but the Franchisor reserves the right to do so.

The Franchisor reserves the right to (1) develop and acquire other business concepts under other brand names even if the locations for those concepts are located in your Franchised Territory, and (2) directly or indirectly advertise and/or sell any proprietary products or services under the Marks that have been or may be developed by or for the Franchisor, to other persons or entities that are not franchisees, through methods of distribution including sales through wholesale outlets, retail stores, or by mail order, electronic commerce or any other direct sales method, anywhere in the world, including sales from and to locations within your Franchised Territory. The Franchisor is not required to compensate you for exercising any such rights. However, neither the Franchisor nor any affiliate currently operates any such business or has any existing plans to do so.

Except as noted above, your Franchised Territory may not be altered or relocated except by written agreement of the parties. The Franchisor may allow you to relocate your Garage Force Business to another Franchised Territory as long as the Franchised Territory is available and meets the Franchisor's then-current criteria for the establishment of a franchised Garage Force Business.

You may not offer or sell any products or services outside the boundaries of your Franchised Territory without first obtaining the written consent of the Franchisor, and you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to offer or sell products or services from your Garage Force Business.

ITEM 13. TRADEMARKS

The Franchisor authorizes you to operate your Garage Force Business under the name "Garage Force," and to use other current and future trademarks or service marks (the "Marks"). You may only use the Marks in the manner the Franchisor authorizes in writing.

The following primary Mark owned by the Franchisor is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Registration No.	Registration Date
GARAGE FORCE	4,769,724	July 7, 2015

It is the Franchisor's intent to file all required affidavits when due.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceeding, no pending material litigation involving the trademarks which have limited or restricted the use of the Franchisor's trademarks, trade names, service marks or commercial symbols in any state. There are no agreements currently in effect which limit the Franchisor's rights to use or license the use of the Marks.

To the knowledge of the Franchisor, there are no prior or infringing uses which could materially affect your use of the licensed Marks or other related rights in any state. You must provide the Franchisor with written notice of any claims made against or associated with the Marks. The Franchisor will have complete discretion to take such action as it deems appropriate, and the right to control any settlement, litigation or USPTO or other proceeding arising out of any alleged infringement, challenge or claim relating to any of the Marks. You will, at your expense, cooperate with the Franchisor in any lawsuits or other proceedings involving the Marks. The Franchisor will protect your right to use the Marks and other related rights and must protect you against claims of infringement and unfair competition with respect to the Marks. However, if anyone establishes to the Franchisor's satisfaction that its rights are, for any legal reason, superior to the Franchisor's rights to any of the Marks or if the Franchisor for any other reason determines to cease using the Marks, to use new Marks or to change or amend the Marks, then the Franchisor has no indemnification obligations to you, and you must, at your expense, adopt and use the other service marks, trademarks or trade names the Franchisor requires.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

The Franchisor will copyright advertising materials, training materials, the Operations Manual and other written materials, but has not registered these copyrights with the United States Copyright Office.

Confidential Information

You must keep confidential the Franchisor's Operations Manual, any supplements to it and any other manuals or written materials used in your Garage Force Business. The Operations Manual contains information regarding the Business System. The Franchisor considers this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. Your employees must sign confidentiality agreements which will require them to keep confidential, both during and after employment, all information designated by the Franchisor as confidential and proprietary.

Patents

No patents are material to your Garage Force Business.

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

Although you are not required under the Franchise Agreement to participate in the operation of your Garage Force Business, the Franchisor strongly recommends that you (if an individual) actively participate in the operation of the Franchised Business, either as the General Manager or in another capacity. However, your Garage Force Business must be managed by a General Manager who has completed the Franchisor's training program. Your General Manager need not have an equity interest in your Garage Force Business. Your General Manager and all other employees who will have access to the Operations Manual will sign a written confidentiality agreement agreeing to keep confidential, both during and after employment, all information designated by the Franchisor as confidential and proprietary. In addition, your General Manager must sign a written agreement under which he or she cannot participate in any business that competes with a Garage Force Business within your Franchised Territory, within the territory of any other Garage Force Business, or within any exclusive area granted by the Franchisor, for a period of 18 months after leaving your employ. If the Franchise Agreement is signed by you for a legal entity, rather than as an individual, the entity's owners must personally guarantee all of its obligations to the Franchisor.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the products and services specified or approved by the Franchisor in writing. You must sell all products and services that the Franchisor requires. The Franchisor has the right, without any limitation, to change the products and services that Garage Force Businesses must sell. You may not sell products or services outside of your Franchised Territory without obtaining the written consent of Garage

Force. Otherwise, The Franchisor does not restrict your sale of products and services in the Franchised Territory, except as disclosed in Item 12.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Article in Franchise Agreement	Summary
a.	Length of the franchise term	Article 2.1	10 years
b.	Renewal or extension of the term	Article 2.2	You do not have the right to renew the Franchise Agreement, but have the right to reacquire the franchise for the Franchised Territory by entering into the Franchisor's then-current standard Franchise Agreement.
c.	Requirements for franchisee to renew or extend	Article 2.2	You must give the Franchisor notice of your intention to reacquire the franchise at least 180 days before your Franchise Agreement expires; you must have complied with all material terms and conditions of the Franchise Agreement and material operating and quality standards and procedures; you have satisfied all monetary obligations owed to the Franchisor; you agree to make capital expenditures to replace and modernize the equipment, materials, supplies and other items used in your Garage Force Business; you and your employees complete any required training; and you agree to execute and comply with the then-current standard Franchise Agreement. You will not have to pay another Initial Fee, but will pay a Franchise Reacquisition Fee equal to 25% of the Franchisor's then-current Initial Fee. If you reacquire the franchise for the Franchised Territory, you will sign a new Franchise Agreement which may contain materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Article 18	If the Franchisor violates any material provision of the Franchise Agreement or fails to timely pay any uncontested obligation due to you. (subject to state law)
e.	Termination by franchisor without cause	None	
f.	Termination by franchisor with cause	Article 17	If you breach the Franchise Agreement.

	Provision	Article in Franchise Agreement	Summary
g.	"Cause" defined - defaults which can be cured	Article 17.1	You will have 30 days to cure: a failure to open your Garage Force Business within six months after signing the Franchise Agreement; a violation of any material provision of the Franchise Agreement; your conviction for violating any law relating to your Garage Force Business or a felony; a failure to conform to the Business System; a failure to pay any uncontested obligation or liability to anyone (including failure to pay any federal or state taxes); a determination that you are insolvent; an assignment made by you for the benefit of creditors; any dishonored check; you fail to acquire the equipment and supplies required for your Garage Force Business before you commence business; you abandon your Garage Force Business; or any conduct which materially impairs the Marks or the Business System. You have 15 days to cure a failure to pay any amount due to the Franchisor.
h.	"Cause" defined - defaults which cannot be cured	Article 17.5	Subject to applicable state law, the Franchisor may terminate the Franchise Agreement immediately on written notice to you if: you are convicted of violating any law relating to your Garage Force Business or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your Garage Force Business; your conduct materially impairs the Marks or the Business System and you fail to correct your breach within 24 hours; or you fail to achieve the Minimum Sales Requirement.
i.	Franchisee's obligations on termination or nonrenewal	Article 19	You must cease to be a Garage Force franchisee and cease to operate under the Business System; pay all sums and fees owing to the Franchisor; return to the Franchisor all printed materials for the Garage Force Business; inform your suppliers that you are no longer a Garage Force franchisee; cease to use in the Marks and the Business System and remove all indications of operation under the Business System from your vehicle and the Business; and transfer all rights to telephone numbers and directory listings to the Franchisor.
j.	Assignment of contract by franchisor	Article 16.1	No restriction on the Franchisor's right to assign. The assignee must fully perform all the Franchisor's obligations under the Franchise Agreement.
k.	"Transfer" by franchisee - definition	Articles 16.2 and 16.3	Assignment to owned or controlled entity or assignment in the event of your death or disability; assignment of the Franchise Agreement or ownership in the franchisee.
l.	Franchisor's approval of transfer by franchisee	Article 16.4	The Franchisor has the right to approve any transfer made by you, but will not unreasonably withhold its consent.
m.	Conditions for franchisor's approval of transfer	Article 16.4	You comply with the Franchisor's right of first refusal; you provide at least 90 days prior written notice of the transfer; you pay all money owed to the Franchisor; you complete a written agreement between you and the Franchisor agreeing to observe all post-term obligations; transferee does not and will not participate in any business competes with Garage Force Business; you sign a general release (see Exhibit D); transferee meets the Franchisor's standards for new franchisees; transferee signs the Franchisor's then-current Franchise Agreement and personal guaranty; transferee and transferee's general manager complete training program; and you pay the transfer fee.

	Provision	Article in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Articles 15.1 and 15.2	You must first offer the sale of your Garage Force Business or Business Assets to the Franchisor before selling to anyone else. After you present an offer to sell or a third party's offer to purchase your Garage Force Business or Business Assets to the Franchisor, the Franchisor must respond within 15 business days after receiving your offer. If the Franchisor begins negotiations to purchase your Garage Force Business or Business Assets, you must continue negotiations until you and the Franchisor have agreed in writing that negotiations have terminated.
o.	Franchisor's option to purchase franchisee's business	Article 15.6	If your Franchise Agreement is terminated or expires, the Franchisor may purchase the Franchise Assets.
p.	Death or disability of franchisee	Article 16.3	If you are an individual, your Franchise Agreement may be transferred to your beneficiary.
q.	Noncompetition covenants during the term of the franchise	Article 20.2	You may not participate in any business that competes with a Garage Force Business. (subject to state law)
r.	Noncompetition covenants after the franchise is terminated or expires	Article 20.3	You may not participate in any competitive business located in the Franchised Territory, or within the Franchised Territory or exclusive area of any other Garage Force Business, for a period of 18 months. (subject to state law)
s.	Modification of the agreement	Article 25.8	Only by written agreement between you and the Franchisor.
t.	Integration/merger clauses	Article 25.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Article 26	All disputes will be arbitrated in Onalaska, Wisconsin. (subject to state law)
v.	Choice of forum	Articles 25.6 and 26.4	Litigation must be in La Crosse County, Wisconsin, subject to applicable state law.
w.	Choice of law	Article 27.1	Governing law will be the law of the state in which your Franchised Territory is located.

ITEM 18. PUBLIC FIGURES

The Franchisor does not use any public figure to promote its franchise. No public figure is involved in the management of the Franchisor.

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 have included below financial performance representations setting forth historical information on Gross Revenue and Product Costs (defined below) based upon the 36 single unit existing franchised Garage Force Businesses that had been open and continuously operating in the U.S. on a full-time basis for at least one full calendar year as of December 31, 2022 (the "Qualifying Businesses"). We previously offered and sold Garage Force Businesses that operated on a different business models, specifically, on a seasonal, part-time, or absentee basis. We currently no longer offer that business model, and we currently only offer and sell Garage Force Businesses that operate full-time. Therefore, the below financial performance representations include the 36 Qualifying Businesses that are substantially similar to the franchised business being offered and sold under this form of disclosure document. This Item 19 excludes 126 Garage Force Businesses because: (i) 32 Garage Force Businesses had not been operating for at least one full year as of December 31, 2021, and (ii) 96 operate on a seasonal, part-time, or absentee basis, and/or have purchased multiple territories and are operating larger than our standard single unit territories, and as such, are not substantially similar to the franchised business being offered under this disclosure document.

Chart I(A) discloses historical financial performance representations for each of the 36 Qualifying Businesses. Chart I(B) discloses historical financial performance representations for the single Company-owned Garage Force Business that was open and operated for the full 2022 calendar year. Additionally, Chart II shows certain expenses as a percent of the annual Gross Revenue for the Company-owned Garage Force Business for the 2022 calendar year.

Chart I(A) – All Single-Unit Qualifying Businesses During the 2022 Calendar Year

Franchisee	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice	Average Profit Per Invoice
Franchisee 1	$553,374	$191,448	92	$6,014.93	$3,934
Franchisee 2	$818,961	$282,775	179	$4,575.20	$2,995
Franchisee 3	$611,621	$269,631	193	$3,169.02	$1,772
Franchisee 4	$531,646	$194,378	129	$4,121.29	$2,614
Franchisee 5	$466,808	$169,929	100	$4,668.08	$2,969
Franchisee 6	$784,735	$258,088	295	$2,660.12	$1,785
Franchisee 7	$265,186	$86,138	82	$3,233.98	$2,184
Franchisee 8	$322,486	$99,924	117	$2,756.29	$1,902
Franchisee 9	$348,906	$92,079	85	$4,104.78	$3,021
Franchise 10	$403,181	$120,644	85	$4,743.31	$3,324
Franchise 11	$586,791	$270,817	170	$3,451.71	$1,859
Franchise 12	$176,217	$38,532	38	$4,637.29	$3,623
Franchise 13	$639,713	$212,940	218	$2,934.46	$1,958
Franchise 14	$626,935	$210,143	120	$5,224.46	$3,473
Franchise 15	$395,302	$157,269	74	$5,341.92	$3,217
Franchise 16	$314,082	$119,555	53	$5,926.08	$3,670
Franchise 17	$545,485	$294,882	60	$9,091.42	$4,177
Franchise 18	$327,678	$108,858	73	$4,488.74	$2,998
Franchise 19	$334,758	$114,525	76	$4,404.71	$2,898
Franchise 20	$342,114	$149,777	96	$3,563.69	$2,004
Franchise 21	$384,740	$111,045	105	$3,664.19	$2,607
Franchise 22	$228,380	$99,846	63	$3,625.08	$2,040
Franchise 23	$580,205	$227,541	132	$4,395.49	$2,672
Franchise 24	$307,336	$118,545	84	$3,658.76	$2,248
Franchise 25	$430,569	$171,513	95	$4,532.31	$2,727
Franchise 26	$339,320	$193,610	97	$3,498.14	$1,502

Franchisee	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice	Average Profit Per Invoice
Franchise 27	$270,678	$83,662	87	$3,111.24	$2,150
Franchise 28	$398,300	$88,248	96	$4,148.96	$3,230
Franchise 29	$219,570	$46,077	31	$7,082.90	$5,597
Franchise 30	$274,053	$111,790	64	$4,282.08	$2,535
Franchise 31	$308,148	$123,310	70	$4,402.11	$2,641
Franchise 32	$334,087	$146,444	77	$4,338.79	$2,437
Franchise 33	$280,167	$126,909	66	$4,244.95	$2,322
Franchise 34	$383,053	$123,008	86	$4,454.10	$3,024
Franchise 35	$226,902	$75,409	73	$3,108.25	$2,075
Franchise 36	$271,709	$103	96	$2,830.30	$2,829
Average	$406,478	$146,928	102	$4,291	$2,750
Number /Percent that Exceeded Average	12	15	10	17	16
Highest	$818,961	$294,882	295	$9,091	$5,597
Lowest	$176,217	$103	31	$2,660	$1,502
Median	$345,510	$123,159	87	$4,264	$2,656

Chart I(B) – Company-owned Garage Force Business During the 2022 Calendar Year

	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice
Company-owned Location	$513,898	$215,761	115	$4,298

Notes to Charts I(A) and I(B):

1. "Annual Gross Revenue" means all income of the reported Qualifying Businesses from the sale of all services and products by the Qualifying Businesses during the 2022 calendar year. Gross Revenue does not include any sales, use or gross receipts taxes if the amount of the tax was added to the selling price, charged to the customer, and paid to the appropriate taxing authority.

2. "Product Costs" means only those products and supplies that the Qualifying Businesses purchased from the Franchisor or its affiliates during the 2022 calendar year because the Franchisor or its affiliate are the exclusive suppliers of such products and supplies. Product Costs excludes salaries, utilities, taxes, equipment purchased from other suppliers, office or storage space, Continuing Fees, Branding Fees, advertising expenses, start-up costs, insurance, professional services fees such as legal and accounting, depreciation/amortization, and other miscellaneous operating costs.

3. "Annual Invoices" means the number of invoices that the Qualifying Franchisee issued to customers during the 2022 calendar year.

4. "Average Invoice" means the Annual Gross Revenue divided by the Annual Invoices.

5. "Average Profit per Invoice" means the Annual Gross Revenue less the Continuing Fees, Branding Fees, and costs of products purchased from Garage Force in the 2022 calendar year. We did not disclose an Average Profit per Invoice for the Company-owned Garage Force Business because it does not pay a Continuing Fee or Branding Fee.

6. The Qualifying Businesses are located throughout the country, are single outlets, and do not have multiple territories.

Chart II – Expenses as a Percent of Annual Gross Revenue for the Company-Owned Business During the 2022 Calendar Year

Expense[1]	Percent of Annual Gross Revenue
Product Cost[2]	31%
Labor[3]	18%
Continuing Fee[4]	5%
Local Advertising	3%
Fuel Expense	3%
Consumables[5]	.5%
Equipment Maintenance	.5%
Branding Fee[6]	1%
Insurance	2%
Total Expense %	64%

Notes to Chart II:

1. This Chart II only reflects those nine expenses that are explicitly noted in the chart for the single Company-owned Garage Force Business as a percent of its 2022 annual Gross Revenue, and it excludes professional service fees, insurance, licensing costs, rent, utilities, depreciation/amortization, and other miscellaneous operating costs.

2. "Product Costs" means only those products and supplies that the Company-owned Garage Force Businesses purchased from us or our affiliates during the 2022 calendar year because we and our affiliates are the exclusive suppliers of such products and supplies. Product Costs excludes salaries, utilities, taxes, equipment purchased from other suppliers, office or storage space, Continuing Fees, Branding Fees, advertising expenses, start-up costs, insurance, professional services fees such as legal and accounting, depreciation/amortization, and other miscellaneous operating costs.

3. "Labor" includes part-time labor for an assistant, and excludes the owner's salary.

4. The Continuing Fee reflects the percent of the Gross Revenue that the Company-owned Garage Force Business would have paid to us had it been a franchisee and be subject to the 5% Continue Fee as required under the current form of franchise agreement.

5. "Consumables" means those items and supplies that were used up, and new or replacement equipment pieces, that were purchased from us or our affiliates throughout the 2022 calendar year, which may include, without limitation: Rollers, Squeegees, Rags, Roller Covers, Chip Brushes, Grinder Blades, Shot, Grinders, Drills, Cleaning Supplies, Solvent, Mixing Buckets, Paint Trays, Rugs, Tarps, Canvas, Equipment Fuel

6. The Branding Fee reflects the percent of the Gross Revenue that the Company-owned Garage Force Business would have paid to us had it been a franchisee and be subject to the 1% Branding Fee as required under the current form of franchise agreement.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Garage Force Business. You are responsible for developing your own business plan for your Garage Force

Business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business, and legal advisors in doing so.

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

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request. We have not audited this information or independently verified this information.

Other than the preceding financial performance representation, the Franchisor does not make any financial performance representations. The Franchisor also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, the Franchisor may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Michael Peterson, 700 Stonebridge Avenue, Onalaska, Wisconsin 54650; (608) 209-1507, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal Years 2020 to 2022

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2020	59	80	+21
	2021	80	133	+53
	2022	133	164	+31
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	0	0
Total Outlets	2020	60	81	+21
	2021	81	134	+53
	2022	133	164	+31

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other Than Franchisor)
For Fiscal Years 2020 to 2022

State	Year	Number of Transfers
Indiana	2020	0
	2021	1
	2022	0
Minnesota	2020	0
	2021	2
	2022	0
North Dakota	2020	0
	2021	0
	2022	1
Totals	2020	0
	2021	3
	2022	1

Table No. 3
Status of Franchised Outlets
For Fiscal Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
Arizona	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	0	4
Colorado	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Florida	2020	2	0	0	0	0	0	2
	2021	2	5	0	0	0	0	7
	2022	7	3	0	0	0	0	10
Georgia	2020	2	2	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
Illinois	2020	3	2	0	0	0	1	4
	2021	4	0	0	0	0	0	4
	2022	4	2	0	0	0	0	6
Indiana	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Kansas	2020	1	1	0	0	0	1	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Louisiana	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Michigan	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Minnesota	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	2	0	0	0	0	6
Missouri	2020	0	1	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Montana	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Nebraska	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Nevada	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
New Jersey	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	3	0	0	0	0	5
North Dakota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Oklahoma	2020	2	0	0	0	0	0	2
	2021	2	5	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Pennsylvania	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
South Carolina	2020	1	3	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	2	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
South Dakota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	9	0	0	0	0	9
	2022	9	0	0	0	0	0	9
Texas	2020	9	9	0	0	0	0	18
	2021	18	9	0	0	0	0	27
	2022	27	2	0	0	0	0	29
Utah	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	2	0	0	0	0	4
Virginia	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	4	0	0	0	0	7
Washington	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	5	0	0	0	0	7
Wisconsin	2020	7	0	0	0	0	0	7
	2021	7	3	0	0	0	0	10
	2022	10	0	1	0	0	0	9
Totals	2020	59	23	0	0	0	2	80
	2021	80	53	0	0	0	0	133
	2022	133	32	1	0	0	0	164

Table No. 4
Status of Company-Owned Outlets
For Fiscal Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Wisconsin	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Not Yet Open	Projected Franchised Outlet Openings in Next Fiscal Year (1)	Projected Company-Owned Outlet Openings in Next Fiscal Year
California	2	2	0
Florida	1	3	0
Idaho	1	0	0
Illinois	2	1	0
Iowa	0	5	0
Minnesota	0	2	0
Oklahoma	0	1	0
South Carolina	0	2	0

State	Franchise Agreements Signed But Not Yet Open	Projected Franchised Outlet Openings in Next Fiscal Year (1)	Projected Company-Owned Outlet Openings in Next Fiscal Year
Texas	0	1	0
Wisconsin	0	1	0
Totals	6	18	0

The names, addresses and telephone numbers of all current franchisees including franchisees with unopened locations are listed in Exhibit C. Also listed in Exhibit C are the name and last known home address and telephone number of every franchisee who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2020 or who has not communicated with the franchisor within 10 weeks of the date of this franchise disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, the Franchisor has signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with the franchise system.

There are no trademark-specific franchisee associations either created, sponsored or endorsed by the Franchisor, or independent franchisee associations.

ITEM 21. FINANCIAL STATEMENTS

Exhibit A are the audited Financial Statements for the Franchisor as of the fiscal years ended and December 31, 2022, December 31, 2021, and December 31, 2020.

ITEM 22. CONTRACTS

Exhibit B is the Franchise Agreement.

ITEM 23. RECEIPT

The last two pages of the franchise disclosure document (following the exhibits and attachments) are receipt pages acknowledging your receipt of the franchise disclosure document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

ADDENDUM TO

**ILFRICH INTEGRATED SOLUTIONS, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR STATE-SPECIFIC DISCLOSURES**

Item 17 of the Disclosure Document provided to a prospective franchisee for a franchised Garage Force Business to be located in or who is a resident of any state indicated below in this Addendum is amended by the addition of the following language:

<u>California:</u>

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

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.

Special Risks to Consider About *This* Franchise

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

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

The franchise agreement requires binding arbitration. The arbitration will occur in Texas with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

Maryland:

Item 5 of the Disclosure Document and the Franchise Agreement are amended as follows: 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 is pre-opening obligations under the franchise agreement.

Items 17(c) and 17(m) of the Disclosure Document are amended to disclose that the general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17(v) of the Disclosure Document is amended to disclose as follows: This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is 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 three years after the grant of the franchise.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

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: 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.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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.

North Dakota: Covenants not to compete are generally unenforceable in North Dakota, except in limited circumstances provided by law.
The North Dakota Securities Commissioner has held that requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota is unenforceable.

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

South Dakota: Covenants not to compete are generally unenforceable in South Dakota, except in limited circumstances provided by law.

Any provision of the Franchise Agreement which designates jurisdiction or venue outside South Dakota or requires jurisdiction or venue in a forum outside of South Dakota is void if the cause of action is otherwise enforceable in South Dakota.

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:

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Washington: To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations 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.

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

ADDENDUM TO
ILFRICH INTEGRATED SOLUTIONS, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

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 initial 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.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO
ILFRICH INTEGRATED SOLUTIONS, INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 of the Disclosure Document is amended by the addition of the following language:

Except as provided in Item 3 of the Disclosure Document, with regard to the Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the Franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 of the Disclosure Document is amended by the addition of the following language:

Neither the Franchisor, its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after that officer or general partner of the Franchisor held this position in the company or partnership.

4. Item 5 of the Disclosure Document is amended by the addition of the following language:

The Initial Franchise Fee constitutes part of the Franchisor's general operating funds, and will be used as such in the Franchisor's discretion.

5. The following language is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the Summary section of Item 17(d), entitled "Termination by franchisee":

You may terminate the Franchise Agreement on any grounds available by law.

7. The following language is added to the end of the "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee that in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum", and Item 17(w), entitled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A

FINANCIAL STATEMENTS

ILFRICH INTEGRATED SOLUTIONS, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

ILFRICH INTEGRATED SOLUTIONS, INC.
TABLE OF CONTENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

To Manangement
Ilfrich Integrated Solutions, Inc.
Onalaska, Wisconsin

Opinion
We have audited the accompanying financial statements of Ilfrich Integrated Solutions, Inc. (a Wisconsin S corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ilfrich Integrated Solutions, Inc. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ilfrich Integrated Solutions, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ilfrich Integrated Solutions, Inc.'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 are 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 generally accepted auditing standards 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ilfrich Integrated Solutions, Inc.'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 Ilfrich Integrated Solutions, Inc.'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.

Pitzl & Pitzl, PA

Pitzl & Pitzl, PA
Arden Hills, MN
February 23, 2023

ILFRICH INTEGRATED SOLUTIONS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021

	DECEMBER 31, 2022		DECEMBER 31, 2021	
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	276,126	$	464,368
Accounts Receivable, Net		1,071,373		1,010,479
Deferred Expenses		1,899,056		1,306,242
Inventory		575,401		266,859
Total Current Assets		3,821,956		3,047,948
EQUIPMENT AND FURNITURE				
Furniture and Equipment		904,972		584,542
Less: Accumulated Depreciation		(295,645)		(202,337)
Equipment and Furniture, Net		609,327		382,205
OTHER ASSETS				
Organizational Costs		38,000		38,000
Accumulated Amortization		(21,956)		(19,422)
Total Other Assets		16,044		18,578
Total Assets	$	4,447,327	$	3,448,731
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$	933,393	$	906,186
Accrued Expenses		583,306		48,339
Accrued Interest		10,418		5,667
Current Portion of Deferred Revenue		650,393		481,433
Current Portion of Long-Term Debt		1,196		1,704
Income Taxes Payable		30,000		115,000
Total Current Liabilities		2,208,706		1,558,329
LONG-TERM LIABILITIES				
Deferred Revenue		4,340,456		3,399,109
Notes Payable		147,384		150,902
Total Long-Term Liabilities		4,487,840		3,550,011
Total Liabilities		6,696,546		5,108,340
STOCKHOLDER'S EQUITY				
Common Stock, $1 par value; 100 shares authorized and outstanding		100		100
Retained Earnings		(2,249,319)		(1,659,709)
Total Stockholder's Equity		(2,249,219)		(1,659,609)
Total Liabilities and Stockholder's Equity	$	4,447,327	$	3,448,731

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	DECEMBER 31, 2022	DECEMBER 31, 2021
REVENUE	$ 11,128,872	$ 8,895,658
COST OF GOODS SOLD	7,460,204	5,720,181
GROSS PROFIT	3,668,668	3,175,477
EXPENSES		
Compensation and Benefits	1,215,194	1,061,859
Advertising, Marketing, and Printing	554,131	470,962
Rent Expense	120,000	120,000
Professional Fees	145,696	146,815
Amortization	2,533	2,533
Depreciation	93,309	59,016
Bank Charges	1,992	1,673
Commissions	194,555	82,124
Dues and Subscriptions	22,588	39,284
Hardware and Software	8,306	30,000
Insurance	64,872	53,603
Licenses and Permits	15,549	3,906
Office Supplies	73,500	58,338
Repairs and Maintenance	1,478	456
Small Tools and Equipment	9,649	5,893
Telephone and Internet	15,776	13,135
Travel, Meals and Entertainment	48,333	39,213
Utilities	38,125	33,127
Vehicle Expenses	28,376	34,042
Total Operating Expenses	2,653,962	2,255,979
OPERATING INCOME	1,014,706	919,498
OTHER INCOME (EXPENSE)		
Other Income	20,927	62,671
Cancellation of Debt Income	-	73,500
Gain on Disposal of Fixed Assets	-	51,089
Interest Expense	(725)	(5,897)
Total Other Income (Expense)	20,202	181,363
NET INCOME BEFORE INCOME TAX EXPENSE	1,034,908	1,100,861
INCOME TAX EXPENSE	120,000	115,000
NET INCOME	$ 914,908	$ 985,861

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common Shares Outstanding	Common Stock	Retained Earnings	Total Stockholder's Equity
BALANCE AT DECEMBER 31, 2020	100	$ 100	$ (995,624)	$ (995,524)
Net Income	-	-	985,861	985,861
Shareholder Distributions	-	-	(1,649,946)	(1,649,946)
BALANCE AT DECEMBER 31, 2021	100	$ 100	$ (1,659,709)	$ (1,659,609)
Net Income	-	-	914,908	914,908
Shareholder Distributions	-	-	(1,504,518)	(1,504,518)
BALANCE AT DECEMBER 31, 2022	100	$ 100	$ (2,249,319)	$ (2,249,219)

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	DECEMBER 31, 2022	DECEMBER 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 914,908	$ 985,861
Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	93,309	59,016
Amortization	2,533	2,533
(Gain) or Loss from Sale of Property and Equipment	-	(51,089)
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(60,894)	(146,716)
Deferred Expenses	(592,814)	(825,390)
Prepaid Expenses	-	69,740
Inventory	(308,542)	(48,906)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	27,207	296,681
Accrued Expenses	534,967	9,076
Income Taxes Payable	(85,000)	20,000
Accrued Interest	4,751	5,667
Other Current Liabilities	-	(73,500)
Current Porton of Deferred Revenue	168,960	208,300
Deferred Revenue	941,347	1,519,701
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,640,732	2,030,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Proceeds from Sale of Property and Equipment	-	74,000
Purchase of Furniture and Equipment	(320,430)	(275,608)
NET CASH USED BY INVESTING ACTIVITIES	(320,430)	(201,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Current Portion of Long-Term Debt	(508)	230
Payments on Long Term Debt	(3,518)	-
Shareholder Distributions	(1,504,518)	(1,649,946)
NET CASH USED BY FINANCING ACTIVITIES	(1,508,544)	(1,649,716)
NET INCREASE (DECREASE) IN CASH	(188,242)	179,650
CASH AT BEGINNING OF PERIOD	464,368	284,718
CASH AT END OF PERIOD	$ 276,126	$ 464,368

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid during the year for:		
Interest	$ 725	$ 5,897
Taxes	$ 120,000	$ 115,000

See independent auditors' report and accompanying notes to the financial statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Ilfrich Integrated Solutions offers floor coating products, garage storage solutions, and franchise opportunities throughout the United States. Ilfrich Integrated Solutions franchises are currently available for purchase in 40 states. The franchisees provide products and services primarily for residential garages, including the application and installation of coatings for concrete and concrete floors; the repair, maintenance and renovation of concrete and concrete floors; and the design and installation of cabinets and related storage accessories and organization systems.

Effective April 19, 2017 the name of the Company was changed from Garage Force International, Inc. to Ilfrich Integrated Solutions, Inc.

Use of Estimates

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

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The Company did not identify any assets or liabilities that are required to be presented at fair value on a reoccurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and other current liabilities, approximated their fair values due to the short-term maturity of these financial instruments.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
At December 31, 2022 and 2021, the Company maintained its cash at financial institutions in bank deposits, which occasionally exceeded the federally-insured limits. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant risk on cash.

Accounts Receivable
Accounts receivables are recognized when products and franchises are sold. The Company extends credit to many of its customers in the ordinary course of business. Generally, these sales are unsecured.

Accounts receivables are stated at cost, net of any allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the failure of customers to make required payments. The Company reviews the accounts receivable on a periodic basis and makes allowances where there is doubt as to the collectability of individual balances. In evaluating the collectability of an individual accounts receivable balance, the Company considers many factors, including the age of the balance, the customer's payment history, its current creditworthiness, and current economic trends.

Allowance for Doubtful Accounts
An allowance for uncollectible accounts is estimated and recorded based on management's judgement and experience. Accounts receivable are normally due thirty days after the issuance of the invoice. When management decides receivables are considered delinquent, they are written off based on individual credit evaluation and specific circumstances of the customer. The allowance for doubtful accounts on December 31, 2022 and 2021 was $0 and $0, respectively.

Equipment and Furniture
Property and equipment is stated at cost. Depreciation on property and equipment is computed using the straight line method over the estimated economic useful lives of the assets, which range from 3 to 15 years.

Intangible Assets
The cost of intangible assets with determinable useful lives is amortized on a straight-line basis over the estimated useful life, which range from 15 to 30 years. When certain events or changes in operation conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted.

Deferred Revenue
Deferred Revenue represents revenue collected but not earned as of December 31, 2022 and 2021. This is primarily composed of revenue from initial franchise fees. Initial franchise fees earned within the succeeding 12-month period are recorded as current portion of deferred revenue and the remaining portion is recorded as noncurrent deferred revenue.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory Valuation
Inventories are valued at the lower of cost or market with cost being determined on a first-in, first-out basis. Maintenance and office supplies are not inventoried but charged to expense when purchased.

Income Taxes
The Company elected on May 12, 2014 to be taxed under the provisions of section 1362, subchapter S, of the Internal Revenue Code. Under those provisions the Company does not pay federal corporate income tax on its taxable income. Instead, the stockholders are liable for individual income taxes on their respective shares. In December 2018, Wisconsin legislature passed Senate Bill 883, which became 2017 Wisconsin Act 368. This bill included a provision that allowed S Corporations an optional election to be taxed at the entity level for Wisconsin income tax. The company made this election effective January 1, 2021. As a result of this election, total income tax expense in 2022 and 2021 was $120,000 and $115,000, respectively. The Company may be required to pay an Economic Development Surcharge tax to the State of Wisconsin or other fees to state taxing authorities as required by law.

Accounting for Uncertainty in Income Tax Items
The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Accordingly, the Company has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2022 and 2021. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Company has adopted the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax liabilities. The adoption of these provisions did not result in an increase of unrecognized tax liabilities. The Company recognizes interest accrued and penalties related to unrecognized tax liabilities, if any, in income tax expense. The Company to date has not recognized any interest or penalties related to unrecognized tax liabilities.

Sales and Use Taxes
The Company's services may be subject to sales and use taxes in certain jurisdictions. The Company's agreements with its customers provide that payment of any sales or use tax assessments are the responsibility of the customers. If sales taxes are collected from the customers and remitted to the respective agencies, these taxes are recorded on a net basis and excluded from revenue and expense in the financial statements as presented.

Advertising
The Company's policy is to expense advertising costs as such costs are incurred. Total advertising costs expensed in 2022 and 2021 were $554,131 and $470,962, respectively.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition
In accordance with Topic 606, The Company determines revenue recognition through the following steps:

- Identification of the contract or contracts with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations

Sales are recognized when revenue is realized or becomes realizable and has been earned; in general revenue is recognized when the earnings process is complete. Revenue is recognized upon shipment of products for materials and delivery of equipment. The company recognized revenue from franchise contracts over the life of the contract, in accordance with FASB ASC 606.

Shipping and Handling Costs
The Company reports shipping and handling fees charged to customers as part of the gross sales and the associated expense as part of direct selling expenses in cost of goods sold.

Compensated Absences
While employed by the Company employees may be entitled to paid vacation, sick days, and other time off depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when paid to employees.

Reclassifications
Certain reclassifications may have been made to the 2021 financial statements in order to conform to the presentation of the 2022 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

Common Control Leasing Arrangement
The Company has adopted the accounting alternative offered to private companies in FASB ASC 810-10 for certain leasing arrangements with entities under common control. In accordance with this alternative, the Company does not evaluate entities that meet the requirements in the variable interest subsections of FASB ASC 810-10. Instead, the Company discloses the leasing arrangement as required by the accounting alternative. See Note 7.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Recently Adopted

In November 2016, the FASB issued ASU 2016-18, "Restricted Cash" which clarifies guidance on the classification and presentation of restricted cash in the statement of cash flows. The standard states that restricted cash should be included within cash and cash equivalents on the statement of cash flows. This new guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, and early adoption is permitted. The Company has adopted this guidance early and have included restricted cash within cash and cash equivalents on our consolidated statements of cash flows.

In February 2016, the FASB issued ASU 2016-02, “Leases”, which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. This new guidance is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted. The Company has adopted this guidance and has determined it does not have a material impact on the financial statements.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2021, the first day of the Company’s fiscal year, using the modified retrospective method.

Under the modified retrospective method, the Company has elected to apply ASC 606 and related GAAP changes to all contracts that were not completed at the date of initial application. Based on the evaluation of current contracts and revenue streams, revenue recognition is mostly consistent under both the previous and new standard, with the exception of the Company’s implementation revenue and commissions paid related to franchise contracts. Under the previous standard, implementation revenue was recognized in the month when the training services concluded, and the client was declared live and commissions related to the signing of a new contract were expensed when paid. Upon adoption of the new standard, initial franchise fee revenue and contract commissions are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. As a result of these changes, revenue decreased $848,782. Deferred revenue increased by $1,879,409 and the current portion of deferred revenue increased $273,133. Commission expense decreased $480,852 and deferred commission increased by $480,852 for the year ended December 31, 2021. The Company recorded a net change in beginning retained earnings of $1,303,760 as of January 1, 2021 due to the cumulative effect of adopting ASC 606.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2022 and 2021 the carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their estimated fair values because of the short term nature of these financial instruments. Included in cash and cash equivalents as of December 31, 2022 and 2021 is a checking account balance which is reported at fair value.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities; fair values determined by Level 2 inputs utilize quoted prices (unadjusted) in inactive markets for identical assets or liabilities obtained from readily available pricing sources for similar instruments. The fair values determined by Level 3 inputs are unobservable values which are supported by little or no market activity.

It is the Company's policy to recognize transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. However, there have been no such transfers during the period presented. Cash and cash equivalents have been classified as Level 1 assets on the Balance Sheets at December 31, 2022 and 2021.

NOTE 3 STOCKHOLDER'S EQUITY

Common stockholder is entitled to one vote per share and distributions when declared by the Board of Directors.

NOTE 4 SIGNIFICANT CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are cash equivalents and accounts receivable. The Company attempts to limit its credit risk associated with cash equivalents by engaging with highly rated financial institutions. With respect to customer accounts receivable, the Company manages its credit risk by performing ongoing credit evaluations of its customers.

The following table shows the percentage of total revenue from customers whose revenue in the years ending December 31, 2022 and 2021 accounted for more than 2.5% of the Company's total revenue.

	2022	2021
Customer A	4.0%	4.1%
Customer B	3.2%	3.7%
Customer C	2.8%	2.8%
Customer D	2.7%	0.0%

NOTE 4 SIGNIFICANT CONCENTRATIONS OF RISK (CONTINUED)

The following table shows the percentage of total accounts receivable from customers in the years ended December 31, 2022 and 2021 accounted for more than 9% of the Company's total accounts receivable.

	2022	2021
Customer A	10.7%	16.4%
Customer B	11.2%	9.5%
Customer C	11.5%	9.5%

The Company has concentrated its risk for trade accounts payable. Substantially all of the balances are payable to companies located within the same geographic region.

NOTE 5 WARRANTY

The Company accrues an estimate of its exposure to warranty claims based on both current and historical sales data and warranty costs incurred. The Company assesses the adequacy of its recorded warranty liability annually and adjusts the amount as necessary. As of December 31, 2022 and 2021, the Company did not record an accrual for warranty liabilities.

NOTE 6 FRANCHISING

In general, the Company's franchise agreements provide for the payment of a franchise fee for each franchise location opened. Franchisees pay continuing fees of 6% of sales. Subject to approval and payment of a renewal fee, a franchisee may generally renew its agreement upon expiration. The Company recognizes renewal fees in income in accordance with FASB ASC 606.

Initial franchise fees, which may be up to $49,500, are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. Services provided by the Company include assistance in territory definition, marketing training, technical training, and implementation of an accounting and quality control system.

Franchise fee revenue for the year ended December 31, 2022 and 2021 consisted of $579,293 and $355,000, respectively, of initial franchise fees.

As territory is assigned to each franchise sold, the Company may reach the point where existing markets become saturated and initial franchising revenue declines. Unless new markets are entered into, franchise revenues aftermarket saturation will come primarily from continuing and renewal fees for existing franchises.

In 2022 the Company sold 39 franchise territories. As of December 31, 2022, the company had 176 franchised territories in operation. There were no franchisor-owned outlets in operation during this period.

NOTE 7 LEASE OBLIGATIONS

The Company leases its real estate under a month-to-month cancellable operation lease with the right to renew at months end. Monthly rent for the years ended 2022 and 2021 was $10,000 and $10,000, respectively. In the year ended December 31, 2022 the Company adopted ASC 842, *Leases*, which requires the recognition of a right-to-use asset and lease liability based on the present value of the remaining lease payments. The Company has determined that the right-to-use asset, and lease liability, would not have a material impact on the financial statements taken as whole due to the month to month nature of the lease. The building is owned by Castle Bluff LLC (a Wisconsin partnership) which is owned by the majority shareholder of Ilfrich Integrated Solutions, Inc.

NOTE 8 TRANSACTIONS WITH RELATED PARTIES

The Company has entered into transactions with related parties. Details of these transactions are presented below:

A. Garage Force Capital, Inc., a company related by common ownership, provides financing services to some of the customers of Ilfrich Integrated Solutions, Inc.
B. The Company rents real estate from a related party under an operating lease as described in Note 7.

NOTE 9 COMMITMENTS AND CONTINGENCIES

We are engaged from time to time in certain legal disputes arising in the ordinary course of business. We believe that we have adequate legal defenses and that the likelihood of a loss contingency relating to the ultimate disposition of any of these claims is remote. When the likelihood of a loss contingency becomes at least reasonably possible with respect to any of these disputes, or, as applicable in the future, if there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, we will revise our disclosures in accordance with the relevant authoritative guidance.

Additionally, we will accrue a liability for loss contingencies when we believe that it is both probable that a liability has been incurred and that we can reasonably estimate the amount of the loss. We will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and our views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in our accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2022 and 2021, the accrued liability for loss contingencies was $0 and $0, respectively.

NOTE 10 EMPLOYEE RETIREMENT PLAN

Effective October 1, 2018 the Company sponsors a 401(k) retirement savings plan (the "401(k) Plan"), under which eligible employees may contribute, on a pre-tax and post-tax basis, specified percentages of their compensation, subject to maximum aggregate annual contributions imposed by the Internal Revenue Code of 1986. All employee contributions are allocated to the employee's individual account and are invested in various investment options as directed by the employee. Employees' cash contributions are 100% vested and non-forfeitable. The Company makes a 3% safe harbor contribution, based on eligible compensation, to all eligible employees' accounts that are 100% vested. The Company may also make a discretionary contribution in any year, subject to authorization by the Board of Directors. During the years ended December 31, 2022 and 2021, the Company safe harbor contribution to the 401(k) Plan was $22,000 and $21,175, respectively.

NOTE 11 LONG TERM DEBT

The Company's long-term debt as of December 31, 2022 is as follows:

	2022
Installment note, to SBA, Payable in montly installments of $731 with interest at 3.75% and maturing July 10, 2051	158,998
Less current portion of long term debt	(11,614)
Net long term debt	$ 147,384

Future current maturities of long-term debt as of December 31, 2022 are as follows:

Year Ending December 31,	Amount
2023	$ 1,196
2024	2,948
2025	3,060
2026	3,177
2027	3,298
Total	$ 13,679

NOTE 12 SUBSEQUENT EVENTS

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through February 23, 2023, the date the financial statements were available to be issued and no events occurred that required recording or disclosure in these financial statements.

The financial statements were approved by management and available to be issued on February 23, 2023

ILFRICH INTEGRATED SOLUTIONS, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

ILFRICH INTEGRATED SOLUTIONS, INC.
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Pitzl & Pitzl
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To Manangement
Ilfrich Integrated Solutions, Inc.
Onalaska, Wisconsin

Opinion
We have audited the accompanying financial statements of Ilfrich Integrated Solutions, Inc. (a Wisconsin S corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ilfrich Integrated Solutions, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ilfrich Integrated Solutions, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ilfrich Integrated Solutions, Inc.'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 are 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 generally accepted auditing standards 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, including omissions, 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.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ilfrich Integrated Solutions, Inc.'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 Ilfrich Integrated Solutions, Inc.'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.

Pitzl & Pitzl, PA

Pitzl & Pitzl, PA
Arden Hills, MN
February 15, 2022

ILFRICH INTEGRATED SOLUTIONS, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020

	DECEMBER 31, 2021		DECEMBER 31, 2020	
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	464,368	$	284,718
Accounts Receivable, Net		1,010,479		863,763
Deferred Expenses		1,306,242		480,852
Prepaid Expenses		-		69,740
Inventory		266,859		217,953
Total Current Assets		3,047,948		1,917,026
EQUIPMENT AND FURNITURE				
Furniture and Equipment		584,542		363,919
Less: Accumulated Depreciation		(202,337)		(175,395)
Equipment and Furniture, Net		382,205		188,524
OTHER ASSETS				
Organizational Costs		38,000		38,000
Accumulated Amortization		(19,422)		(16,889)
Total Other Assets		18,578		21,111
Total Assets	$	3,448,731	$	2,126,661
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$	906,186	$	609,504
Accrued Expenses		48,339		39,263
Accrued Interest		5,667		-
Current Portion of Deferred Revenue		481,433		273,133
Current Portion of Long-Term Debt		1,704		1,474
Income Taxes Payable		115,000		95,000
Other Current Liabilities		-		73,500
Total Current Liabilities		1,558,329		1,091,874
LONG-TERM LIABILITIES				
Deferred Revenue		3,399,109		1,879,409
Notes Payable		150,902		150,902
Total Long-Term Liabilities		3,550,011		2,030,311
Total Liabilities		5,108,340		3,122,185
STOCKHOLDER'S EQUITY				
Common Stock, $1 par value; 100 shares authorized and outstanding		100		100
Retained Earnings		(1,659,709)		(995,624)
Total Stockholder's Equity		(1,659,609)		(995,524)
Total Liabilities and Stockholder's Equity	$	3,448,731	$	2,126,661

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	DECEMBER 31, 2021	DECEMBER 31, 2020
REVENUE	$ 8,895,658	$ 5,199,076
COST OF GOODS SOLD	5,720,181	3,062,437
GROSS PROFIT	3,175,477	2,136,639
EXPENSES		
Compensation and Benefits	1,061,859	785,247
Advertising, Marketing, and Printing	470,962	405,100
Rent Expense	120,000	115,000
Professional Fees	146,815	186,006
Amortization	2,533	2,533
Depreciation	59,016	53,393
Bad Debt	-	36,964
Bank Charges	1,673	1,721
Commissions	82,124	53,098
Dues and Subscriptions	39,284	18,851
Hardware and Software	30,000	4,559
Insurance	53,603	64,090
Licenses and Permits	3,906	3,015
Office Supplies	58,338	40,892
Repairs and Maintenance	456	3,358
Small Tools and Equipment	5,893	6,498
Telephone and Internet	13,135	15,115
Travel, Meals and Entertainment	39,213	28,149
Utilities	33,127	16,248
Vehicle Expenses	34,042	26,116
Total Operating Expenses	2,255,979	1,865,953
OPERATING INCOME	919,498	270,686
OTHER INCOME (EXPENSE)		
Other Income	62,671	-
Cancellation of Debt Income	73,500	-
Gain on Disposal of Fixed Assets	51,089	8,750
Interest Expense	(5,897)	(5,050)
Total Other Income (Expense)	181,363	3,700
NET INCOME BEFORE INCOME TAX EXPENSE	1,100,861	274,386
INCOME TAX EXPENSE	115,000	95,000
NET INCOME	$ 985,861	$ 179,386

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Common Shares Outstanding	Common Stock	Retained Earnings	Total Stockholder's Equity
BALANCE AT DECEMBER 31, 2019	100	$ 100	$ 643,519	$ 643,619
Net Income	-	-	179,386	179,386
Shareholder Distributions	-	-	(514,769)	(514,769)
ASC 606 Adoption			(1,303,760)	(1,303,760)
BALANCE AT DECEMBER 31, 2020	100	$ 100	$ (995,624)	$ (995,524)
Net Income	-	-	985,861	985,861
Shareholder Distributions	-	-	(1,649,946)	(1,649,946)
BALANCE AT DECEMBER 31, 2021	100	$ 100	$ (1,659,709)	$ (1,659,609)

See independent auditors' report and accompanying notes to the financial statements.

ILFRICH INTEGRATED SOLUTIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	DECEMBER 31, 2021	DECEMBER 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 985,861	$ 179,386
Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	59,016	53,393
Amortization	2,533	2,533
(Gain) or Loss from Sale of Property and Equipment	(51,089)	(8,750)
Accrued Interest	5,667	-
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(146,716)	(97,054)
Other Assets	-	12,037
Deferred Expenses	(825,390)	(480,852)
Prepaid Expenses	69,740	(69,740)
Notes Receivable	-	29,760
Inventory	(48,906)	(38,652)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	296,681	(15,700)
Accrued Expenses	9,076	8,958
Income Taxes Payable	20,000	95,000
Other Current Liabilities	(73,500)	73,500
Current Porton of Deferred Revenue	208,300	273,133
Deferred Revenue	1,519,701	1,879,409
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,030,974	1,896,361
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Proceeds from Sale of Property and Equipment	74,000	20,000
Purchase of Furniture and Equipment	(275,608)	(33,020)
NET CASH USED BY INVESTING ACTIVITIES	(201,608)	(13,020)
CASH FLOWS FROM FINANCING ACTIVITIES		
Current Portion of Long-Term Debt	230	1,474
Proceeds of Long Term Debt	-	150,902
Shareholder Distributions	(1,649,946)	(514,769)
Effect of ASC 606 Adoption	-	(1,303,760)
NET CASH USED BY FINANCING ACTIVITIES	(1,649,716)	(1,666,153)
NET INCREASE (DECREASE) IN CASH	179,650	217,188
CASH AT BEGINNING OF PERIOD	284,718	67,530
CASH AT END OF PERIOD	$ 464,368	$ 284,718
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid (Received) during the year for:		
Interest	$ 5,897	$ 5,050
Taxes	$ 115,000	$ 95,000

See independent auditors' report and accompanying notes to the financial statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations
Ilfrich Integrated Solutions offers floor coating products, garage storage solutions, and franchise opportunities throughout the United States. Ilfrich Integrated Solutions franchises are currently available for purchase in 40 states. The franchisees provide products and services primarily for residential garages, including the application and installation of coatings for concrete and concrete floors; the repair, maintenance and renovation of concrete and concrete floors; and the design and installation of cabinets and related storage accessories and organization systems.

Effective April 19, 2017 the name of the Company was changed from Garage Force International, Inc. to Ilfrich Integrated Solutions, Inc.

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

Fair Value of Financial Instruments
Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The Company did not identify any assets or liabilities that are required to be presented at fair value on a reoccurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and other current liabilities, approximated their fair values due to the short-term maturity of these financial instruments.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
At December 31, 2021 and 2020, the Company maintained its cash at financial institutions in bank deposits, which occasionally exceeded the federally-insured limits. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant risk on cash.

Accounts Receivable
Accounts receivables are recognized when products and franchises are sold. The Company extends credit to many of its customers in the ordinary course of business. Generally, these sales are unsecured.

Accounts receivables are stated at cost, net of any allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the failure of customers to make required payments. The Company reviews the accounts receivable on a periodic basis and makes allowances where there is doubt as to the collectability of individual balances. In evaluating the collectability of an individual accounts receivable balance, the Company considers many factors, including the age of the balance, the customer's payment history, its current creditworthiness, and current economic trends.

Allowance for Doubtful Accounts
An allowance for uncollectible accounts is estimated and recorded based on management's judgement and experience. Accounts receivable are normally due thirty days after the issuance of the invoice. When management decides receivables are considered delinquent, they are written off based on individual credit evaluation and specific circumstances of the customer. The allowance for doubtful accounts on December 31, 2021 and 2020 was $0 and $0, respectively.

Equipment and Furniture
Property and equipment is stated at cost. Depreciation on property and equipment is computed using the straight line method over the estimated economic useful lives of the assets, which range from 3 to 15 years.

Intangible Assets
The cost of intangible assets with determinable useful lives is amortized on a straight-line basis over the estimated useful life, which range from 15 to 30 years. When certain events or changes in operation conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted.

Deferred Revenue
Deferred Revenue represents revenue collected but not earned as of December 31, 2021. This is primarily composed of revenue from initial franchise fees. Initial franchise fees earned within the succeeding 12-month period are recorded as current portion of deferred revenue and the remaining portion is recorded as noncurrent deferred revenue.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory Valuation
Inventories are valued at the lower of cost or market with cost being determined on a first-in, first-out basis. Maintenance and office supplies are not inventoried but charged to expense when purchased.

Income Taxes
The Company elected on May 12, 2014 to be taxed under the provisions of section 1362, subchapter S, of the Internal Revenue Code. Under those provisions the Company does not pay federal corporate income tax on its taxable income. Instead, the stockholders are liable for individual income taxes on their respective shares. In December 2018, Wisconsin legislature passed Senate Bill 883, which became 2017 Wisconsin Act 368. This bill included a provision that allowed S Corporations an optional election to be taxed at the entity level for Wisconsin income tax. The company made this election effective January 1, 2020. As a result of this election, total income tax expense in 2021 and 2020 were $115,000 and $95,000, respectively. The Company may be required to pay an Economic Development Surcharge tax to the State of Wisconsin or other fees to state taxing authorities as required by law.

Accounting for Uncertainty in Income Tax Items
The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Accordingly, the Company has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Company has adopted the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax liabilities. The adoption of these provisions did not result in an increase of unrecognized tax liabilities. The Company recognizes interest accrued and penalties related to unrecognized tax liabilities, if any, in income tax expense. The Company to date has not recognized any interest or penalties related to unrecognized tax liabilities.

Sales and Use Taxes
The Company's services may be subject to sales and use taxes in certain jurisdictions. The Company's agreements with its customers provide that payment of any sales or use tax assessments are the responsibility of the customers. If sales taxes are collected from the customers and remitted to the respective agencies, these taxes are recorded on a net basis and excluded from revenue and expense in the financial statements as presented.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

In accordance with Topic 606, The Company determines revenue recognition through the following steps:

- Identification of the contract or contracts with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations

Sales are recognized when revenue is realized or becomes realizable and has been earned; in general revenue is recognized when the earnings process is complete. Revenue is recognized upon shipment of products for materials and delivery of equipment. The company recognized revenue from franchise contracts over the life of the contract, in accordance with FASB ASC 606.

Advertising

The Company's policy is to expense advertising costs as such costs are incurred. Total advertising costs expensed in 2021 and 2020 were $470,962 and $405,100, respectively.

Shipping and Handling Costs

The Company reports shipping and handling fees charged to customers as part of the gross sales and the associated expense as part of direct selling expenses in cost of goods sold.

Compensated Absences

While employed by the Company employees may be entitled to paid vacation, sick days, and other time off depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when paid to employees.

Reclassifications

Certain reclassifications may have been made to the 2020 financial statements in order to conform to the presentation of the 2021 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

New Accounting Pronouncements Recently Adopted

In November 2015, the FASB issued Accounting Standards Update (ASU) 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes" (ASU 2015-17), which simplifies the reporting requirements of deferred taxes by requiring all organizations to classify all deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent. The guidance is effective for companies with annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The Company adopted ASU 2015-17 during our first quarter of 2017 on a prospective basis.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Recently Adopted (Continued)

In November 2016, the FASB issued ASU 2016-18, "Restricted Cash" which clarifies guidance on the classification and presentation of restricted cash in the statement of cash flows. The standard states that restricted cash should be included within cash and cash equivalents on the statement of cash flows. This new guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, and early adoption is permitted. The Company has adopted this guidance early and have included restricted cash within cash and cash equivalents on our consolidated statements of cash flows.

In February 2016, the FASB issued ASU 2016-02, “Leases”, which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. This new guidance is effective for annual reporting periods beginning after December 15, 2018 with early adoption permitted. The Company has not adopted this guidance early and are currently evaluating the effect on our consolidated financial statements.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2020, the first day of the Company’s fiscal year, using the modified retrospective method.

Under the modified retrospective method, the Company has elected to apply ASC 606 and related GAAP changes to all contracts that were not completed at the date of initial application. Based on the evaluation of current contracts and revenue streams, revenue recognition is mostly consistent under both the previous and new standard, with the exception of the Company’s implementation revenue and commissions paid related to franchise contracts. Under the previous standard, implementation revenue was recognized in the month when the training services concluded, and the client was declared live and commissions related to the signing of a new contract were expensed when paid. Upon adoption of the new standard, initial franchise fee revenue and contract commissions are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. As a result of these changes, revenue decreased $848,782. Deferred revenue increased by $1,879,409 and the current portion of deferred revenue increased $273,133. Commission expense decreased $480,852 and deferred commission increased by $480,852 for the year ended December 31, 2020. The Company recorded a net change in beginning retained earnings of $1,303,760 as of January 1, 2020 due to the cumulative effect of adopting ASC 606.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Recently Adopted (Continued)
The Balance Sheet and Statement of Income impact of adopting ASC 606 for the year ended December 31, 2020 is outlined below.

	Year Ending December 31, 2020		
	As Reported	Under Legacy GAAP	Impact of ASC 606
Balance Sheet			
Deferred Commissions	$ 480,852	$ -	$ 480,852
Current portion of Deferred Revenue	273,133	-	273,133
Deferred Revenue	1,879,409	-	1,879,409
Retained Earnings	(900,624)	403,136	(1,303,760)
Statement of Income			
Revenue	$ 5,199,076	$ 6,047,858	$ (848,782)
Commissions Expense	53,098	533,950	(480,852)

Common Control Leasing Arrangement
The Company has adopted the accounting alternative offered to private companies in FASB ASC 810-10 for certain leasing arrangements with entities under common control. In accordance with this alternative, the Company does not evaluate entities that meet the requirements in the variable interest subsections of FASB ASC 810-10. Instead, the Company discloses the leasing arrangement as required by the accounting alternative. See Note 7.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2021 and 2020 the carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued expenses approximated their estimated fair values because of the short term nature of these financial instruments. Included in cash and cash equivalents as of December 31, 2021 and 2020 is a checking account balance which is reported at fair value.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities; fair values determined by Level 2 inputs utilize quoted prices (unadjusted) in inactive markets for identical assets or liabilities obtained from readily available pricing sources for similar instruments. The fair values determined by Level 3 inputs are unobservable values which are supported by little or no market activity.

It is the Company's policy to recognize transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. However, there have been no such transfers during the period presented. Cash and cash equivalents have been classified as Level 1 assets on the Balance Sheets at December 31, 2021 and 2020.

NOTE 3 STOCKHOLDER'S EQUITY

Common stockholder is entitled to one vote per share and distributions when declared by the Board of Directors.

NOTE 4 SIGNIFICANT CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are cash equivalents and accounts receivable. The Company attempts to limit its credit risk associated with cash equivalents by engaging with highly rated financial institutions. With respect to customer accounts receivable, the Company manages its credit risk by performing ongoing credit evaluations of its customers.

The following table shows the percentage of total revenue from customers whose revenue in the years ending December 31, 2021 and 2020 accounted for more than 2.5% of the Company's total revenue.

	2021	2020
Customer A	4.1%	3.6%
Customer B	3.7%	3.9%
Customer C	2.8%	3.8%

The following table shows the percentage of total accounts receivable from customers in the years ended December 31, 2021 and 2020 accounted for more than 9% of the Company's total accounts receivable.

	2021	2020
Customer A	16.4%	17.5%
Customer B	9.5%	15.8%
Customer C	9.5%	15.8%

The Company has concentrated its risk for trade accounts payable. Substantially all of the balances are payable to companies located within the same geographic region.

NOTE 5 WARRANTY

The Company accrues an estimate of its exposure to warranty claims based on both current and historical sales data and warranty costs incurred. The Company assesses the adequacy of its recorded warranty liability annually and adjusts the amount as necessary. As of December 31, 2021 and 2020, the Company did not record an accrual for warranty liabilities.

NOTE 6 FRANCHISING

In general, the Company's franchise agreements provide for the payment of a franchise fee for each franchise location opened. Franchisees pay continuing fees of 6% of sales. Subject to approval and payment of a renewal fee, a franchisee may generally renew its agreement upon expiration. The Company recognizes renewal fees in income in accordance with FASB ASC 606.

Initial franchise fees, which may be up to $49,500, are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company. Services provided by the Company include assistance in territory definition, marketing training, technical training, and implementation of an accounting and quality control system.

Franchise fee revenue for the year ended December 31, 2021 and 2020 consisted of $355,000 and $204,051, respectively, of initial franchise fees.

As territory is assigned to each franchise sold, the Company may reach the point where existing markets become saturated and initial franchising revenue declines. Unless new markets are entered into, franchise revenues aftermarket saturation will come primarily from continuing and renewal fees for existing franchises.

In 2021 the Company sold 26 franchise territories. As of December 31, 2021, the company had 115 franchised outlets in operation. There were no franchisor-owned outlets in operation during this period.

NOTE 7 LEASE OBLIGATIONS

The Company leases its real estate under a month-to-month operation lease with the right to renew at months end. Monthly rent for the years ended 2020 and 2019 was $10,000 and $9,583, respectively. The building is owned by Castle Bluff LLC (a Wisconsin partnership) which is owned by the majority shareholder of Ilfrich Integrated Solutions, Inc.

NOTE 8 TRANSACTIONS WITH RELATED PARTIES

The Company has entered into transactions with related parties. Details of these transactions are presented below:

A. Garage Force Capital, Inc., a company related by common ownership, provides financing services to some of the customers of Ilfrich Integrated Solutions, Inc.
B. The Company rents real estate from a related party under an operating lease as described in Note 7.

NOTE 9 COMMITMENTS AND CONTINGENCIES

We are engaged from time to time in certain legal disputes arising in the ordinary course of business. We believe that we have adequate legal defenses and that the likelihood of a loss contingency relating to the ultimate disposition of any of these claims is remote. When the likelihood of a loss contingency becomes at least reasonably possible with respect to any of these disputes, or, as applicable in the future, if there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, we will revise our disclosures in accordance with the relevant authoritative guidance.

Additionally, we will accrue a liability for loss contingencies when we believe that it is both probable that a liability has been incurred and that we can reasonably estimate the amount of the loss. We will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and our views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in our accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2021 and 2020, the accrued liability for loss contingencies was $0 and $5,000, respectively.

NOTE 10 EMPLOYEE RETIREMENT PLAN

Effective October 1, 2018 the Company sponsors a 401(k) retirement savings plan (the “401(k) Plan”), under which eligible employees may contribute, on a pre-tax and post-tax basis, specified percentages of their compensation, subject to maximum aggregate annual contributions imposed by the Internal Revenue Code of 1986. All employee contributions are allocated to the employee’s individual account and are invested in various investment options as directed by the employee. Employees’ cash contributions are 100% vested and non-forfeitable. The Company makes a 3% safe harbor contribution, based on eligible compensation, to all eligible employees’ accounts that are 100% vested. The Company may also make a discretionary contribution in any year, subject to authorization by the Board of Directors. During the years ended December 31, 2021 and 2020, the Company safe harbor contribution to the 401(k) Plan was $21,175 and $19,965, respectively.

NOTE 11 LONG TERM DEBT

The Company's long-term debt as of December 31, 2021 is as follows:

	2021
Installment note, to SBA, Payable in montly installments of $731 with interest at 3.75% and maturing July 10, 2051	158,273
Less current portion of long term debt	(1,704)
Net long term debt	$ 156,569

Future current maturities of long-term debt as of December 31, 2021 are as follows:

Year Ending December 31,	
2022	1,704
2023	2,736
2024	2,825
2025	2,951
2026	3,065
Total	$ 13,281

NOTE 12 SUBSEQUENT EVENTS

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through February 15, 2022, the date the financial statements were available to be issued and no events occurred that required recording or disclosure in these financial statements.

The financial statements were approved by management and available to be issued on February 15, 2022.

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

BETWEEN

Ilfrich Integrated Solutions, Inc.
700 Stonebridge Avenue
Onalaska, WI 54650
Telephone: (608) 209-1507

AND

____
____
____
Name(s) of **Franchisee**

____
Street

____
City, State, Zip Code

____
Area Code and Telephone

____
Email Address

FRANCHISED TERRITORY:

____
____
____

DATE OF FRANCHISE AGREEMENT

____________________________, 20_________

FRANCHISE AGREEMENT

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GARAGE FORCE®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made, entered into and effective this _______ day of _______________, 20____ by and between Ilfrich Integrated Solutions, Inc., a Wisconsin corporation (the "Franchisor") and ____, a(n) ____ (the "Franchisee").

RECITALS

Business System. The Franchisor has developed a business concept and systems (the "Business System") for operating businesses of a distinctive character and quality that provide services and products for residential garages, including the application of coatings for concrete and concrete floors; the repair, maintenance and renovation of concrete and concrete floors; and the design and installation of cabinets and related storage accessories and organization systems.

Marks. The Franchisor represents that it has the right and the authority to license the use of the name "Garage Force®" and certain other trademarks, trade names, service marks, slogans, logos and commercial symbols (the "Marks") for use in connection with the businesses operated in conformity with the Business System to selected persons, businesses or entities who will comply with the Franchisor's uniformity requirements and quality standards. The Franchisor has publicized the Marks to the public and other businesses as an organization of businesses operating under the Business System.

Operation of Franchised Business. The Franchisee desires to develop, own and operate a franchised business (the "Franchised Business" or the "Business") using the Marks in conformity with the Business System and the Franchisor's uniformity requirements and quality standards as established and promulgated from time to time by the Franchisor. The Franchisee understands and acknowledges the importance of complying with the high standards of quality, appearance, procedures, controls, cleanliness and service established by the Franchisor, and the necessity of operating the Business in strict conformity with the standards and specifications established by the Franchisor.

Development of Business System. The Franchisor is willing to provide the Franchisee with marketing, advertising, operational and other business information and "know-how" about the Business System and the Franchised Business that has been developed by the Franchisor over time and at a significant cost and investment to the Franchisor. The Franchisee acknowledges that it would take substantial capital and human resources to develop a business similar to the Franchised Business and as a result, desires to acquire from the Franchisor the right to use the Marks and the Business System and to own and operate a Franchised Business subject to and under the terms and conditions set forth in this Agreement.

Pursuant to the above Recitals and in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, the parties hereby contract as follows:

ARTICLE 1
GRANT OF FRANCHISE

1.1 Franchised Territory

The Franchisor hereby grants to the Franchisee the right to operate one Franchised Business in conformity with the Business System using the name "Garage Force®" and the other Marks within the following territory:

____

____

____

____

(the "Franchised Territory.") A map of the Franchised Territory may be attached as an exhibit to this Agreement and initialed by the Franchisor and the Franchisee.

1.2 Additional Territory

If during the term of this Agreement more than 5% of your annual Gross Revenues is generated from the sale of products or services to customers outside of your Franchised Territory, then the Franchisor may require Franchisee to purchase an additional area(s) surrounding Franchisee's Franchised Territory, by paying the Franchisor an additional fee (the "Additional Territory Fee"), so that at least 95% of the Franchisee's annual Gross Revenue will be generated within the Franchisee's Franchised Territory. The Additional Territory Fee will be an amount equal to the number of people within the additional area(s) that the Franchisee acquires multiplied by 25 cents ($0.25). If Franchisees purchase any area(s) outside of the Franchised Territory, those additional area(s) will then constitute a part of Franchisee's Franchised Territory. In no event will the Franchisor be obligated to sell any area outside of Franchisee's Franchised Territory to Franchisee, regardless of whether Franchisee has offered or sold products or services within that area. Franchisor may determine whether to sell any area outside of Franchisee's Franchised Territory to Franchisee, to another existing Garage Force franchisee, or to a new Garage Force franchisee, in the Franchisor's sole discretion and for any reason. Furthermore, the Franchisor is under no obligation to sell any additional areas or Franchised Territories to Franchisee upon Franchisee's request.

1.3 Protected Territory

Subject to the Franchisee's compliance with this Agreement, the Franchised Territory will be protected to the extent that the Franchisor will not own or operate, or authorize any other person to own or operate, a Franchised Business within the Franchised Territory during the term of this Agreement without the prior consent of the Franchisee. However, the Franchisor will have the absolute and unconditional right, at any location and in any area outside the boundaries of the Franchised Territory, to: (a) grant other franchisees the right to use the name "Garage Force®" and the other Marks and the Business System, and (b) operate company-owned businesses under the name "Garage Force®" and the other Marks and the Business System. During the term of this Agreement and thereafter, the Franchisor will have the right to (1) develop or acquire other business concepts operating under other brand names other than "Garage Force®" even if the locations or territories for those concepts are located in or include the Franchised Territory; and (2) directly or indirectly advertise and/or sell any proprietary products or services identified by the Marks or other marks that have been or may be developed by or for the Franchisor, to other persons or entities that are not franchisees, through methods of distribution including, without limitation, sales through wholesale outlets, retail stores, or by mail order, electronic commerce or any other direct or indirect sales method, anywhere in the world, including sales from and to locations within the Franchised Territory.

1.4 Conditions

The Franchisee hereby undertakes the obligation to operate the Franchised Business using the Business System within the Franchised Territory in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement. The rights and privileges granted to the Franchisee by the Franchisor under this Agreement are applicable only in the Franchised Territory and are personal in nature. The Franchisee may not use the Marks or operate the Franchised Business within any area other than within the Franchised Territory, and may not deliver the Products or Services identified by the Marks or the Business System to any customer located outside the boundaries of the Franchised Territory without the prior written consent of the Franchisor.

1.5 Personal License

The Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. The Franchisee will not have the right to transfer this Agreement or its rights under this Agreement, except as specifically provided for in this Agreement.

ARTICLE 2
TERM OF FRANCHISE;
FRANCHISEE'S OPTION TO REACQUIRE FRANCHISE

2.1 Term

The term of this Agreement will be for 10 years, and will commence on the date set forth on Page F-1 of this Agreement. This Agreement will not be enforceable until it has been signed by both the Franchisee and the Franchisor, and until a signed copy of this Agreement has been delivered by the Franchisor to the Franchisee.

2.2 Conditions to Option

At the end of the term of this Agreement, the Franchisee will have the option to reacquire the Franchise for the Franchised Territory, provided that the Franchisee has complied with the following conditions: (a) the Franchisee has given the Franchisor written notice at least 180 days prior to the end of the term of this Agreement of its intention to reacquire the Franchise for the Franchised Territory; (b) the Franchisee has at all times complied with all material terms and conditions of this Agreement and with the Franchisor's material operating and quality standards and procedures; (c) all monetary obligations owed by the Franchisee to the Franchisor have been paid or satisfied prior to the end of the term of this Agreement and have been timely paid throughout the term of this Agreement; (d) the Franchisee has agreed, in writing, to make the reasonable capital expenditures necessary to update the FF&E used in the Franchised Business to comply with the Franchisor's then-current image, standards, specifications and requirements; (e) the Franchisee and its employees have completed the required training designated by the Franchisor; (f) the Franchisee pays the Franchisor a renewal fee equal to 20% of the Franchisor's then-current Initial Fee charged to new franchisees; and (g) the Franchisee agrees to execute the then-current standard Franchise Agreement then being offered to new franchisees by the Franchisor.

2.3 Terms of Option

The Franchisee will have the option to reacquire the Franchise for the Franchised Territory under the same terms and conditions then being offered to other franchisees by the Franchisor under the Franchisor's then-current standard Franchise Agreement. If the Franchisee exercises its option to reacquire the Franchise for the Franchised Territory and executes the then-current standard Franchise Agreement, then the Franchisee will not be required to pay the Initial Fee specified in the then-current standard Franchise Agreement. The Franchisee will, however, be required to pay the Franchise Reacquisition Fee and will pay the Continuing Fees and all other fees at the rates specified in the then-current standard Franchise Agreement, and to pay any additional fees not specified or provided for in this Agreement but which are required to be paid to the Franchisor or others by the terms of the then-current standard Franchise Agreement. The Franchisee acknowledges that the terms, conditions, capital requirements, costs and economics of subsequent Franchise Agreements and the Franchisor's then-current standard Franchise Agreement may, at that time, vary in substance and form from this Agreement.

ARTICLE 3
LICENSING OF MARKS AND BUSINESS SYSTEM TO FRANCHISEE

3.1 Franchisor's Right to License Marks

The Franchisor warrants that it has the right and authority to grant the Franchise and, except as provided herein, to license the Marks and the Business System to the Franchisee. Any and all improvements to the Marks or the Business System made by the Franchisee will be the sole and absolute property of the Franchisor with the right to register and protect all such improvements in its name in accordance with applicable law. The Franchisee's use of the Marks and the Business System will inure exclusively to the benefit of the Franchisor, and any and all goodwill associated with the Marks and the Business System will inure exclusively to its benefit. Upon the expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with the Franchisee's use of the Marks and the Business System. The Franchisee will at no time take any action whatsoever to contest the validity or the ownership of the Marks or the Business System.

3.2 Conditions to License of Marks

The Franchisor hereby grants to the Franchisee the right to use the Marks and the Business System in accordance with the provisions of this Agreement. The Franchisee's personal right to use "Garage Force®" as the name of the Franchisee's Business and its right to use the Marks and the Business System applies only to the Franchisee's Business in the Franchised Territory, and such rights will exist only so long as the Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. The Franchisee will only have the right to use the Marks in connection with the operation of the Business and will not use the Marks in any way or in any other manner except as approved in writing by the Franchisor. The Franchisee will not have or acquire any rights in any of the Marks or the Business System other than the right of use as provided herein. The Franchisee will have the right to use the Marks and the Business System only in the manner prescribed, directed and approved by the Franchisor in writing. If, in the judgment of the Franchisor, the acts of the Franchisee are contrary to the limitations set forth in this Agreement or infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the Business System, then the Franchisee will, upon written notice from the Franchisor, immediately modify its use of the Marks or the Business System in the manner prescribed by the Franchisor in writing.

3.3 Changes to Marks

Upon receipt of written notice from the Franchisor, the Franchisee will, at its sole expense, immediately adopt and use the new Marks or the changes and amendments to the Marks that are specified by the Franchisor in writing if a federal trademark registration is not granted for the "Garage Force®" name or any other Mark, if the ownership of any of the Marks is challenged by a third party or a third party claims superior rights to any or all of the Marks and the attorneys for the Franchisor are of the opinion that such Claims by the third party are legally meritorious, if there is an adjudication by a court of competent jurisdiction that any third party has superior rights to the Marks, or if a determination is otherwise made to utilize new Marks and/or to make changes or amendments to the Marks used in conjunction with the Business System. In that event, the Franchisee will immediately cease using the Marks specified by the Franchisor, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by the Franchisor in writing in connection with the advertising, marketing, promotion and operation of the Franchisee's Business. The Franchisee will not make any changes or amendments whatsoever to the Marks or the Business System without the prior written approval of the Franchisor.

3.4 Defense or Enforcement of Rights to Marks or Business System

The Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the Business System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. The Franchisee will give the Franchisor prompt and immediate written notice of any and all Claims made against or associated with the Marks and the Business System and will, without compensation for its time and at its expense, cooperate in all respects with the Franchisor in any lawsuits or other proceedings involving the Marks and the Business System. The Franchisor will have the sole and absolute right to determine whether it will commence any action or defend any litigation involving the Marks and/or the Business System, and the cost and expense of all litigation incurred by the Franchisor, including attorneys' fees, specifically relating to the Marks or the Business System will be paid by the Franchisor.

3.5 Tender of Defense

If the Franchisee is named as a defendant or party in any action involving the Marks or the Business System solely because the plaintiff or claimant is alleging that the Franchisee does not have the right to use the Marks or the Business System in conducting the Business within the Franchised Territory, then the Franchisee will have the right to tender the defense of the action to the Franchisor. The Franchisor will, at its expense, defend the Franchisee in the action providing that the Franchisee has tendered the action to the Franchisor within 10 days after receiving service of the summons and complaint relating to the action. The Franchisor will indemnify and hold the Franchisee harmless from any Damages assessed against the Franchisee in any actions resulting solely from the Franchisee's proper licensed use of the Marks and the Business System within the Franchised Territory in accordance with the terms and conditions of this Agreement if the Franchisee has tendered the defense of the action to the Franchisor; provided however, that the Franchisee will pay all costs relating to its adoption and use of any new Marks or any changes or amendments to the Marks in accordance with Article 3.3.

3.6 Franchisee's Right to Participate in Litigation

The Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and Court proceedings involving the Marks or the Business System, and may do so with respect to matters involving only the Franchisee (i.e. not involving the Franchisor or its interests); however, the Franchisor and its attorneys will control and conduct all litigation involving the Marks or the Business System. Except as provided for herein, the Franchisor will have no liability to the Franchisee for any Costs and Expenses that the Franchisee may incur in any litigation involving the Marks or the Business System, and the Franchisee will pay for all Costs and Expenses that it may incur in any litigation or proceeding arising as a result of matters referred to under this Article, unless it tenders the defense to the Franchisor in a timely manner as provided for herein.

ARTICLE 4
INITIAL FEE; INITIAL EQUIPMENT PACKAGE

4.1 Initial Fee

The Franchisee will pay an initial fee in the amount of $___________________ (the "Initial Fee") in full to the Franchisor on the date of this Agreement. The Initial Fee is non-refundable and is fully earned when paid by the Franchisee.

4.2 Initial Equipment Package

At or prior to attending the initial training program, the Franchisee will pay the Franchisor or an Affiliate a lump sum of $60,000 for the purchase of certain supplies, merchandise, inventory and FF&E for use in the Franchised Business (the "Initial Equipment Package"). The payment for the Initial Equipment Package is non-refundable and fully earned when paid by the Franchisee.

4.3 Initial Coating Products

Before Franchisee opens its Garage Force Business, Franchisee must purchase from Franchisor initial coating products in the amount equal to $10,000. The payment for the initial coating products is non-refundable and is fully earned when paid.

ARTICLE 5
CONTINUING FEES

5.1 Continuing Fees

In addition to the Initial Fee, on or before the Fee Payment Date (currently the third day after Gross Revenues are received by the Franchisee), the Franchisee will, for the entire term of this Agreement, pay the Franchisor "Continuing Fees" equal to 5% of the Franchisee's Gross Revenues for the preceding Fee Payment Period (currently, the Fee Payment Period is continuous based on the Franchisee's receipt of amounts due, and Continuing Fees are due on a rolling basis). The Franchisor will have the right to change the Fee Payment Period for Continuing Fees to Monthly or Weekly, or any other period that the Franchisor designates, at any time during the term of this Agreement. Except as set forth in Article 5.5 of this Agreement, the Franchisee will receive at least 30 days prior written notice from the Franchisor of the Franchisor's determination to change of the Fee Payment Period or Fee Payment Date. The Continuing Fees paid by the Franchisee to the Franchisor will not be refundable to the Franchisee under any circumstances.

5.2 Franchisee's Obligation to Pay

The Continuing Fees payable to the Franchisor under this Article will be calculated and paid to the Franchisor by the Franchisee during the entire term of this Agreement, and the Franchisee's failure to pay the Continuing Fees to the Franchisor by the Fee Payment Date will be deemed to be a material breach of this Agreement. The Franchisee's obligation to pay the Franchisor the Continuing Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the term of this Agreement has expired. The Franchisee will not have the "right of offset" and, as a consequence, the Franchisee will timely pay all Continuing Fees due to the Franchisor under this Agreement regardless of any Claims the Franchisee may allege against the Franchisor.

5.3 Date Payable

The Franchisee will pay the Continuing Fees to the Franchisor on or before the Fee Payment Date for the preceding Fee Payment Period (currently the third day after Gross Revenues are received by the Franchisee) by pre-authorized bank transfer in accordance with Article 14.6 of this Agreement. Any Continuing Fees not received by the Franchisor on or before the Fee Payment Date for the preceding Fee Payment Period will be deemed to be past due. The Franchisee's Gross Revenues Report required under Article 14 of this Agreement will be submitted to the Franchisor on or before the 10th day of each calendar month for the preceding calendar month.

5.4 Interest on Unpaid Continuing Fees

If the Franchisee fails to remit the Continuing Fees due to the Franchisor as provided for in this Article, then the amount of the unpaid and past due Continuing Fees will bear simple interest at the rate equal to the lesser of (a) the maximum legal interest rate allowable in the state in which the Franchisee's Business is located, or (b) 18% per annum.

5.5 Late Payment Fee; Weekly Payments

If the Franchisee fails to pay any Continuing Fees within three days after the Fee Payment Date, then in addition to the interest payable by the Franchisee as set forth above, the Franchisee will pay the Franchisor a Late Payment Fee of $250, which will be immediately due and payable. If the Fee Payment Period is Monthly and the Franchisee fails to timely pay the Monthly Continuing Fee on the 10th day of the Month for the preceding Month, the Franchisor will have the right to require that the Franchisee immediately commence paying the Continuing Fee to the Franchisor on Friday of each Week for remaining term of this Agreement.

5.6 Collection Costs

The Franchisee will pay the Franchisor for any and all Costs and Expenses incurred by the Franchisor in the collection of unpaid and past due Continuing Fees.

ARTICLE 6
BRANDING FEES; ADVERTISING

6.1 Amount of Branding Fees

In addition to the Initial Fee and the Continuing Fees, the Franchisee will, at such time as the Franchisor establishes a separate account to be administered and controlled exclusively by the Franchisor as provided for in Article 6.8 of this Agreement (the "Branding Fund"), pay to the Franchisor "Branding Fees" equal to 1% of the Franchisee's Gross Revenues for the preceding Fee Payment Period on or before the Fee Payment Date for deposit into the Branding Fund. The Franchisee will receive at least 30 days prior written notice from the Franchisor of the Franchisor's determination to establish the Branding Fund. The Franchisor will have the right to change the Fee Payment Period for Branding Fees to Monthly or Weekly, or any other period that the Franchisor designates, at any time during the term of this Agreement. The Franchisor may also designate a Fee Payment Date and/or Fee Payment Period for the Branding Fee that is different from the Fee Payment Date and/or Fee Payment Period for the Continuing Fees. The Franchisee will receive at least 30 days prior written notice from the Franchisor of the Franchisor's determination to change of the Fee Payment Period or Fee Payment Date. Upon the Franchisor's establishment of the Branding Fund, the Branding Fees paid by the Franchisee to the Franchisor will be deposited by the Franchisor into the Branding Fund, and will not be refundable to the Franchisee under any circumstances.

6.2 Reimbursement of Branding Fee Payments

Prior to the Franchisor's establishment of the Branding Fund, the Franchisee will pay Branding Fees equal to 1% of the Franchisee's Gross Revenues to the Franchisor on or before the third day after such Gross Revenues are received by Franchisee. Until such time as the Branding Fund is established by the Franchisor, the Franchisor will periodically reimburse the Franchisee for the Branding Fee payments made by the Franchisee pursuant to this Article 6.2 during a calendar year within 30 days after the Franchisor's receipt of written evidence satisfactory to the Franchisor establishing that each Month during the applicable calendar year the Franchisee spent amounts equal to at least 1% of the Franchisee's Monthly Gross Revenues on approved media advertising, marketing, public relations, telemarketing and/or promotional programs for the Franchised Business in the Franchised Territory. If the Franchisee fails to provide written evidence acceptable to the

Franchisor confirming that, in addition to the Local Advertising Expenditures required to be made by the Franchisee as provided for in Article 6.10, the Franchisee made approved advertising and promotion expenditures during the Months in a calendar year in amounts equal to the Branding Fee payments made by the Franchisee during the Months of the applicable calendar year, then the Franchisor will have the right to forever retain the Branding Fee payments made by the Franchisee to the Franchisor pursuant to this Article 6.2, and the Franchisor will utilize such amounts for advertising, promotion or other related expenditures as deemed appropriate by the Franchisor in its sole discretion.

6.3 Franchisee's Obligation to Pay

The Franchisee's obligation to pay the Branding Fees to the Franchisor does not reduce and is in addition to the Franchisee's Local Advertising Expenditures as set forth in Article 6.10 of this Agreement. The Branding Fees payable to the Franchisor under this Article will be calculated and paid to the Franchisor by the Franchisee during the entire term of this Agreement, and the Franchisee's failure to pay the Branding Fees to the Franchisor by the Fee Payment Date will be deemed to be a material breach of this Agreement. The Franchisee's obligation to pay the Franchisor the Branding Fees pursuant to the terms of this Agreement will be absolute and unconditional, and will remain in full force and effect until the term of this Agreement has expired. The Franchisee will not have the "right of offset" and, as a consequence, the Franchisee will timely pay all Branding Fees due to the Franchisor under this Agreement regardless of any Claims the Franchisee may allege against the Franchisor.

6.4 Date Payable

If applicable, the Franchisee will pay the Branding Fees to the Franchisor by the Fee Payment Date for the preceding Fee Payment Period by pre-authorized bank transfer in accordance with Article 14.6 of this Agreement. Any Branding Fees not received by the Franchisor on or before the Fee Payment Date for the preceding Fee Payment Period will be deemed to be past due. The Franchisee's Gross Revenues Report required under Article 14.4 of this Agreement will be submitted to the Franchisor on or before the 10th day of each calendar month for the preceding calendar month.

6.5 Interest on Unpaid Branding Fees

If the Franchisee fails to remit the Branding Fees due to the Franchisor as provided for in this Article, then the amount of the unpaid and past due Branding Fees will bear simple interest at the rate equal to the lesser of (a) the maximum legal interest rate allowable in the state in which the Franchisee's Business is located, or (b) 18% per annum.

6.6 Administrative Fee

If the Franchisee fails to pay any Branding Fees within three days after the Fee Payment Date, then in addition to the interest payable by the Franchisee as set forth above, the Franchisee will pay the Franchisor an Administrative Fee of $250, which will be immediately due and payable.

6.7 Collection Costs

The Franchisee will pay the Franchisor for any and all Costs and Expenses incurred by the Franchisor in the collection of unpaid and past due Branding Fees.

6.8 Use of Branding Fees

The Franchisor will have the absolute and unilateral right to determine when, how and where the Branding Fees in the Branding Fund will be spent. This includes, without limitation, the right of the Franchisor to purchase and pay for product research and development, demographic research, customer research, production materials, brochures, radio and television commercial production costs, services provided by advertising agencies, toll free telephone numbers, call centers, signs, media time and space advertising (including radio, television, newspaper, magazine and other print advertising), public relations, telemarketing, direct mail advertising, promotional programs, advertising market research, graphics and design costs, creation and maintenance of online advertising and marketing materials, creation, hosting, software development, upgrades, and maintenance for a Garage Force® home page and any additional websites deemed necessary by the Franchisor, including Intranet websites; Internet, social media or other electronic promotions and advertising, e-commerce, other miscellaneous advertising, the costs of planning, organizing and conducting meetings and conventions for franchisees, the costs incurred in administering the Branding Fund and such other costs and expenses as the Franchisor deems appropriate and in the best interests of Garage Force® businesses and the Business System. All administrative and other costs associated with or incurred in the administration of or by the Branding Fund including, but not limited to, all long distance telephone charges, office rental, furniture, fixtures and equipment, leasehold improvements, personnel, Salaries, Travel Expenses, collection costs (including attorneys' fees paid in attempting to collect past due Branding Fees), and office supplies will be paid from the Branding Fees deposited into the Branding Fund. The Franchisor will not be required to spend the Branding Fees deposited into the Branding Fund in: (a) any particular geographic or market area, (b) the Franchised Territory in proportion to the Branding Fees paid by the Franchisee, or (c) the calendar year in which the payments were made. All interest accrued by the Branding Fund will be the property of the Branding Fund. The Franchisor will not be required to pay any Branding Fees; however, all the company-owned businesses will be required to pay Branding Fees into the Branding Fund in the same manner as the franchised Garage Force® businesses. An unaudited summary showing the income and expenditures of the Branding Fund during each calendar year will be prepared by the Franchisor by March 31st of each year for the preceding year, and copies of the summary will, upon reasonable written request, be made available to the Franchisee for review.

6.9 Right to Borrow Funds

If the Branding Fund does not contain sufficient funds to make the expenditures determined by the Franchisor, in its sole discretion, to be necessary or advisable, then the Franchisor will have the right, but not the obligation, to loan funds to the Branding Fund in an amount sufficient to cover such expenditures, and the loan (plus interest as provided for herein) will be repaid from future Branding Fees paid by franchisees pursuant to their Franchise Agreements with the Franchisor. The Franchisor will have the right and option to either use its own funds, or borrow the necessary funds in the name of the Branding Fund from one or more financial institutions. The unpaid balance of any loan made by the Franchisor to the Branding Fund will be subject to interest at either: (a) the interest rate determined by the Franchisor at the time of the loan up to the maximum legal rate allowable by applicable law, if the Franchisor utilized its own funds for the loan; or (b) a rate equal to the rate of interest charged to the Franchisor by the financial institution for the amount of the loan, if the Franchisor borrowed the funds for the loan from a financial institution.

6.10 Local Advertising Expenditures

In addition to the payment of the Branding Fees to the Franchisor pursuant to Article 6.1 or Article 6.2, each calendar year during the term of this Agreement, the Franchisee will spend each month a minimum of 5% of its Gross Revenues generated in the immediately preceding calendar month for media advertising, marketing, public relations, telemarketing and/or promotional programs for the Franchised Business in the Franchised Territory which have been approved by the Franchisor in writing ("Local Advertising Expenditures"). The Digital Marketing Fees will be credited toward your Local Advertising Expenditures.

6.11 Report of Local Advertising

The Franchisee will, in the form prescribed by the Franchisor, furnish the Franchisor with an accurate semi-annual accounting of the Franchisee's Local Advertising Expenditures made pursuant to Article 6.10 (the "Local Advertising Reports"). The Local Advertising Reports will be provided on or before the 10th day of each calendar month for the Local Advertising Expenditures in the immediately preceding calendar month. If the Franchisee has failed to spend the required percentage of its annual Gross Revenues for Local Advertising Expenditures for its Franchised Business, then the Franchisee may be required to deposit with the Franchisor the difference between the amount that should have been spent by the Franchisee for approved advertising and promotion and the amount that was actually spent for approved advertising and promotion, and the amount deposited with the Franchisor will be utilized by the Franchisor for advertising, promotion and related administrative expenses as deemed appropriate by the Franchisor in its sole discretion.

6.12 Digital Marketing Fees

Franchisee must pay the then-current digital marketing fees ("Digital Marketing Fees") in the manner and method set forth in the Operations Manual or as Franchisor otherwise sets forth in writing. At the Franchisor's option, it may collect the Digital Marketing Fees itself, or require Franchisee to pay the Digital Marketing Fees directly to the Franchisor's designated vendor. Franchisee is only required to pay one Digital Marketing Fee per each contiguous Franchised Territory area that Franchisee is granted the right to operate within.

Currently, the Digital Marketing Fees include services for search engine optimization and pay-per-click advertisements, and other related services that the Franchisor may recommend or require. The Franchisor will credit the Digital Marketing Fees that Franchisee pays towards its approved monthly local advertising requirements.

6.13 <u>Grand Opening Advertising</u>

The Franchisee will, during the first 90 days of operation, spend a minimum of $500 for a grand opening advertisement and promotional campaign for the Franchised Business. The grand opening advertising and promotional campaign may include the placement of advertisements with local media, press releases, business announcements, brochures, production costs, mailing costs and other advertising and marketing materials as the Franchisor, in its sole discretion, deems appropriate. The Franchisee will, in the form prescribed by the Franchisor, furnish the Franchisor with an accurate accounting of the Franchisee's approved grand opening expenditures made pursuant to this Article. The grand opening advertising campaign will be in addition to all other advertising requirements of the Franchisee set forth in this Agreement, and will not apply to the Franchisee's Local Advertising Expenditures required pursuant to Article 6.10 of this Agreement.

6.14 <u>Participation in Marketing Programs</u>

The Franchisee will participate in all local marketing and promotional programs which are required by the Franchisor as designated from time to time in the Operations Manual or otherwise designated by the Franchisor from time to time in writing. For purposes of conducting the marketing and promotional programs referred to in this Article, the Franchisee will provide the Franchisor with a copy of a list containing the names and mailing addresses of the Franchisee's customers, together with such other information as may be reasonably required by the Franchisor for marketing and promotional purposes. The Franchisee will provide this information in computer-readable electronic form or in such other form and format as the Franchisor may direct. The Franchisee will pay the Franchisor, or the provider of marketing and promotional programs at the direction of the Franchisor, for all costs associated with directing the required marketing and promotional materials to the Franchisee's customers. The Franchisee's costs for participating in these marketing and promotional programs may be applied by the Franchisee to the Local Advertising Expenditures required pursuant to Article 6.10 of this Agreement.

ARTICLE 7
<u>CONFIDENTIAL OPERATIONS MANUAL AND OTHER INFORMATION</u>

7.1 <u>Compliance with Operations Manual</u>

The Franchisor will permit the Franchisee to have access to the Franchisor's Operations Manual for the Franchised Business via any reasonable method, including electronically. In order to protect the reputation and goodwill of the Franchisor, and to maintain uniform operating standards under the Marks and the Business System, the Franchisee will at all times during the term of this Agreement conduct its Franchised Business in accordance with the Operations Manual.

7.2 <u>Confidentiality of Operations Manual</u>

The Operations Manual and all supplements, changes and modifications to the Operations Manual will remain the sole and exclusive property of the Franchisor. The information contained in the Operations Manual constitutes Confidential Information, and the Franchisee will at all times during the term of this Agreement and thereafter treat the Operations Manual, any other Operations Manual created for or approved for use in the operation of the Franchised Business, and the information contained therein as secret and confidential, and the Franchisee will use all reasonable means to keep such information secret and confidential. Neither the Franchisee nor any employees of the Franchisee will: (a) make any copy, duplication, record or reproduction of the Operations Manual, or any portion thereof, available to any unauthorized person; or (b) use the Operations Manual or any information contained therein in connection with the operation of any other business or for any purpose other than in conjunction with the operation of the Franchised Business; or (c) permit any person other than representatives of the Franchisee to access the Operations Manual. Notwithstanding any provision of this Agreement to the contrary, there may be certain circumstances where applicable law allows for the disclosure of certain Confidential Information under limited circumstances as specified in the Operations Manual or otherwise in writing by the Franchisor.

7.3 Revisions to Operations Manual

The Franchisor reserves the right to revise the Operations Manual at any time during the term of this Agreement as the Franchisor deems necessary to: (a) reflect new standards for the Products or Services offered for sale under the Business System; (b) protect the goodwill associated with the Marks; or (c) reflect new standards for the operation of the Franchisee's Business. The Franchisor will have the option of providing the revisions and updates to the Operations Manual to the Franchisee via any reasonable method, including electronically. The Franchisee expressly agrees to operate its Franchised Business in accordance with all such revisions. The Franchisee will at all times keep the Operations Manual current and up-to-date, and in the event of any dispute regarding the Operations Manual, the terms of the master copies of the Operations Manual maintained by the Franchisor will be controlling in all respects.

7.4 Confidentiality of Other Information

The Franchisor will be disclosing and providing to the Franchisee certain Confidential Information. The Franchisee will not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any person or Entity any Confidential Information which may be communicated to the Franchisee, or of which the Franchisee may be apprised by virtue of this Agreement. The Franchisee will divulge Confidential Information only to its employees who must have access to it in order to operate the Franchised Business. Neither the Franchisee nor any employees of the Franchisee will make any copy, duplication, record or reproduction or any of Confidential Information available to any unauthorized person. Any client lists developed by either the Franchisor or the Franchisee and any information designated as Confidential Information by the Franchisor will be and remain the sole and exclusive property of the Franchisor.

7.5 Confidentiality and Noncompetition Agreements

All of the Franchisee's employees who have access to the Operations Manual, or any other Confidential Information, must, prior to obtaining access to the Operations Manual or any other Confidential Information, sign agreements in a form satisfactory to the Franchisor agreeing to maintain the confidentiality, during the course of their employment and thereafter, of all information designated by the Franchisor as Confidential Information. Copies of all such executed agreements will be submitted to the Franchisor upon request.

7.6 Remedies

The Franchisee acknowledges that the provisions of this Article are reasonable and necessary for the protection of the Franchisor and the Franchisor's franchisees. If the Franchisee violates any of the provisions contained in this Article, then the Franchisor will have the right to: (a) terminate this Agreement as provided for in Article 17; (b) seek injunctive relief from a court of competent jurisdiction; (c) commence an action or lawsuit against the Franchisee for damages; and (d) enforce all other remedies or take such other actions against the Franchisee that are available to the Franchisor under this Agreement, common law, in equity and any federal or state laws.

ARTICLE 8
TRAINING

8.1 Initial Training Program

The Franchisor will provide an initial training program for the Franchisee and the Franchisee's General Manager at such location as may be designated by the Franchisor, to educate, familiarize and acquaint them with the Business System and the operations of the Franchised Business. The initial training program will include classroom and on-the-job instruction on basic business procedures, training of employees, basic accounting procedures, basic computer operations, selling and marketing techniques, product knowledge, equipment acquisition, maintenance and operation, product application procedures, customer service, customer relations, and other business and marketing topics selected by the Franchisor. The Franchisee and the Franchisee's General Manager must successfully complete the initial training program prior to commencing the business operations of the Franchisee's Business. The initial training program, which will be scheduled by the Franchisor in its sole discretion, will be for up to five consecutive days. In the event the Franchisor determines that the Franchisee or the Franchisee's General Manager has failed to successfully complete the Franchisor's initial training program, then such person will not be permitted or authorized to participate in the management of the Franchisee's Business.

8.2 Payment of Training Expenses

During training, the Franchisee will pay all Training Expenses for the Franchisee and all other persons who attend a training program on behalf of the Franchisee.

8.3 Approval to Open; Opening Assistance

The Franchisee will not open and commence initial business operations until the Franchisor has given the Franchisee written approval to commence operation of the Franchisee's Business. If within 60 days after the Franchisee and its General Manager have successfully completed the Franchisor's initial training program, the Franchisee requests in writing that the Franchisor provide opening assistance to the Franchisee, the Franchisor will provide up to three days of on-the-job training and opening assistance to the Franchisee prior to or in conjunction with the initial operations of the Franchised Business in the Franchised Territory. The on-the-job training and opening assistance provided by the Franchisor may include assistance with adopting internal controls, training employees, purchasing equipment and supplies, implementing accounting procedures, implementing the Business System and evaluating the Franchisee's operational knowledge, as determined by the Franchisor. The Franchisee will, within 10 days after receiving an invoice from the Franchisor, pay the Franchisor the amount indicated in the invoice to reimburse the Franchisor for the Travel Expenses incurred by the Franchisor's personnel to provide opening assistance to the Franchisee. If, in the sole determination of the Franchisor, more than three days of opening assistance is required for the Franchised Business, the Franchisee will also pay the Franchisor the then-current per diem fee charged by the Franchisor for such additional opening assistance. The Franchisee will, within 10 days after receiving an invoice, pay the Franchisor the amount indicated in the invoice for the additional opening assistance provided and reimburse the Franchisor for the additional Travel Expenses incurred by the Franchisor's personnel.

8.4 Additional Training

If the Franchisee chooses to send more than two people to the initial training program, the Franchisor determines that more than five days of initial training is necessary before approving the Franchisee's commencement of operations in the Franchised Territory, the Franchisee hires a new General Manager after the opening of the Business, or the Franchisor determines that additional training on topics to be selected by the Franchisor is necessary because the Franchisee's Business has failed to meet certain performance standards established by the Franchisor, or the Franchisor otherwise determines that additional training is necessary or required, the Franchisee will pay to the Franchisor the then-current per diem training fee charged by the Franchisor for each additional day of training provided by the Franchisor and the Training Expenses for each person who attends training on behalf of the Franchisee. If the Franchisor provides such training in the Franchised Territory, the Franchisee will also reimburse the Franchisor for all Travel Expenses incurred by the Franchisor. Payments for additional training will be due and payable by the Franchisee within 10 days after receiving an invoice from the Franchisor indicating the amount owed.

8.5 Release and Indemnification

The Franchisee and its Owners hereby waive any right to sue for Damages or other relief, and release all known and unknown Claims they may allegedly have against the Franchisor and/or any of its current and former Affiliates and their employees, agents, officers and directors, arising out of the adequacy or accuracy of the information provided at or any activities occurring during any training program, additional training and/or opening assistance (collectively referred to as "Training" in this provision), or any harm or injury any attendee or participant suffers during and as a result of his/her attendance at or participation in the Training. The Franchisee and the Owners agree to hold the Franchisor, its current and former Affiliates and their employees, agents, officers and directors harmless for any Damages incurred by the Franchisee, the Owners or any Affiliates, employees, agents, officers and directors arising out of, in any way connected with or as a result of attendance at or participation in the Training. The Franchisee, the Owners and all persons who attend and participate in the Training on behalf of the Franchisee will sign the documentation required by the Franchisor or an Affiliate as a condition to their attendance at, participation in and successful completion of the Training.

ARTICLE 9
FRANCHISOR'S OBLIGATIONS

9.1 Business System

Consistent with the Franchisor's uniformity requirements and quality standards, the Franchisor or its authorized representative will: (a) provide the Franchisee with a written schedule of all supplies, materials, items and FF&E which are necessary and required for the operation of the Franchisee's Business; (b) provide the Franchisee with a list of the Approved Suppliers and Designated Suppliers for the Products and Services necessary and required for the Franchisee's Business, and any updates to the list of the Approved Suppliers and Designated Suppliers made by the Franchisor from time to time; (c) make available to the Franchisee basic accounting and business procedures for use by the Franchisee in its Business; (d) make advertising and marketing recommendations; (e) review the Franchisee's Business as often as the Franchisor deems necessary and render written reports to the Franchisee as deemed appropriate by the Franchisor; (f) legally protect and enforce the Marks and the Business System for the benefit of all franchisees in the manner deemed appropriate by the Franchisor; (g) provide the Franchisee with access to the Operations Manual and any supplements and modifications to the Operations Manual that may be published by the Franchisor from time to time; and (h) upon the reasonable written request of the Franchisee, render reasonable advisory services by telephone or in writing pertaining to use of the Business System and the operation of the Franchisee's Business as deemed appropriate, reasonable and necessary by the Franchisor.

9.2 Consulting Services

During the term of this Agreement, the Franchisor may, upon the reasonable written request of the Franchisee or if required by the Franchisor, and subject to the availability of its personnel, provide consulting services, assistance and training to the Franchisee at a location in the Franchised Territory regarding marketing, advertising and promotional issues, operational issues, accounting matters, personnel issues, and other business matters or special projects relating to the Franchised Business. The Franchisee will pay the Franchisor the then-current charge imposed by the Franchisor for such consulting services, and will pay for the Travel Expenses incurred by the individual or individuals employed or retained by the Franchisor who provide such consulting services to the Franchisee within 10 days after receiving an invoice from the Franchisor indicating the amount owed.

ARTICLE 10
PRODUCTS AND SERVICES

10.1 Products and Services

The Franchisee will only offer and sell the Products and Services specified in the Operations Manual or that have been approved in writing by the Franchisor. The Franchisee will not, under any circumstances, have the right to offer or sell any other products or services that are not specified in the Operations Manual or otherwise approved by the Franchisor in writing. The Franchisee will offer and sell all of the Products and Services specified in the Operations Manual or otherwise approved by the Franchisor in writing and will maintain sufficient inventories to realize the full economic potential of the Business. The Franchisee will only offer for sale and sell the Products and Services on a retail basis (to the end user) in the Franchised Territory and will not sell any Products and Services or other products or services under any of the Marks or the Business System (a) on a wholesale basis (for resale to another retailer or wholesaler), (b) on a retail basis at or from any other location other than a location within the Franchised Territory (except as approved by the Franchisor in writing), (c) by means of the Internet, catalogue sales, mail order sales, infomercials or telemarketing, or (d) by any other means or methods of sales or distribution. The Franchisee will have the absolute right to sell all Products and Services to its customers and guests at whatever prices and on whatever terms it deems appropriate.

10.2 Approved Suppliers

The Franchisee will purchase the Products and Services specified in the Operations Manual or otherwise in writing by the Franchisor only from Approved Suppliers. The Franchisor or an Affiliate of the Franchisor may be an Approved Supplier or the only Approved Supplier for some or all of the Products and Services. The Franchisee will have the right to purchase such Products and Services from other suppliers provided they conform to the Franchisor's standards and specifications and provided that the Franchisor determines that the supplier's business reputation, quality standards, delivery performance, credit rating, and other criteria meet commercial business standards. If the Franchisee desires to purchase the Products and Services from other suppliers, then the Franchisee must, at its expense, submit samples, specifications, and product information requested by the Franchisor, for review and testing to determine whether the item complies with the Franchisor's standards and specifications. The Franchisor will also have the right to inspect the facilities of the proposed supplier, and the Franchisee will reimburse the Franchisor for the costs and expenses incurred to conduct the inspection. The Franchisor will complete all product testing within 30 days, and will notify the Franchisee of its determination within 30 days after the Franchisor receives the samples and other requested information from the Franchisee. The written approval of the Franchisor must be obtained by the Franchisee before any previously unapproved Products and Services are purchased or used by the Franchisee or Products and Services are acquired from a previously unapproved supplier.

10.3 <u>Designated Suppliers</u>

The Franchisee will purchase certain Products and Services specified in the Operations Manual or otherwise in writing by the Franchisor only from Designated Suppliers. The Franchisor or an Affiliate of the Franchisor may be a Designated Supplier for some or all of the Products and Services. The Franchisee will not have the right to substitute any new supplier or distributor for any Designated Supplier or to request or require the Franchisor to appoint or approve any new supplier or distributor as a Designated Supplier.

10.4 <u>Payments to Franchisor or Affiliate</u>

The Franchisee acknowledges that the Franchisor or an Affiliate of the Franchisor may receive commissions, volume discounts, purchase discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and other payments ("Payments") based upon purchases of Products and Services from Designated Suppliers, Approved Suppliers, the Franchisor, an Affiliate of the Franchisor and/or other suppliers, vendors and distributors ("Suppliers" or "Supplier"). Any Payments received by the Franchisor or an Affiliate of the Franchisor from any Suppliers as a result of or based on the Franchisee's purchases from those Suppliers will be the exclusive property of the Franchisor or the Affiliate, and the Franchisee will not have any right to any Payments received by the Franchisor or an Affiliate from any Suppliers. If the Franchisor or an Affiliate of the Franchisor is a Supplier for any Products and Services and if the Franchisee purchases Products and Services from the Franchisor or the Affiliate, then any Payments made to the Franchisor or the Affiliate by any Supplier that is based on the Franchisee's purchases of any Products and Services from the Franchisor or the Affiliate will be the exclusive property of the Franchisor or the Affiliate, and the Payment will be deemed to be a reduction of the price paid by the Franchisor or the Affiliate for the Products and Services sold to the Franchisee by the Franchisor or the Affiliate. The Franchisee will not, under any circumstances, have the right to receive or claim the right to any portion of any Payments received by the Franchisor or an Affiliate of the Franchisor from any Supplier for the sale of any Products and Services purchased by the Franchisor or the Affiliate, and thereafter sold to the Franchisee by the Franchisor or the Affiliate, and the purchase price paid by the Franchisee to the Franchisor or the Affiliate for such Products or Services Prices may include a mark-up as determined by the Franchisor or the Affiliate.

10.5 <u>Branding of Products</u>

The Franchisee will not under any circumstances have the right to: (a) use or display the Marks on or in connection with any product or service other than the Products and Services; (b) acquire, develop or manufacture any product under the name "Garage Force®" or any of the other Marks, or direct any other person or Entity to do so; (c) acquire, develop or manufacture any product that has been developed or manufactured by or for the Franchisor for use in conjunction with the Business System and which is sold under any of the Marks, or direct any other person or Entity to do so; and (d) use, have access to, or have any rights to any proprietary information, formulas or ingredients for any of the Franchisor's proprietary products or other Products and Services.

10.6 <u>Independent Evaluation of Services</u>

The Franchisor will have the right to hire an independent evaluation service to visit and/or assess the Franchised Business and the quality of the Products and Services provided to customers by the Franchised

Business. The Franchisor will determine the number and frequency of the visits the evaluation service will make to the Franchised Business and the form of the reports the evaluation service will provide to the Franchisor. The fees charged by the evaluation service for visiting and evaluating the Franchised Business will be paid by the Franchisor. The Franchisor will provide the Franchisee with copies of all reports prepared by the evaluation service reviewing the Franchised Business.

ARTICLE 11
QUALITY CONTROL UNIFORMITY AND STANDARDS REQUIRED OF FRANCHISEE

11.1 Quality and Service Standards

The Franchisor will promulgate, from time to time, uniform standards of quality and service regarding the business operations of the Franchised Business so as to protect and maintain (for the benefit of all franchisees and the Franchisor) the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the Business System. Accordingly, to insure that all franchisees will maintain and adhere to the uniformity requirements and quality standards for the Products and Services associated with the Marks and the Business System, the Franchisee agrees to maintain the uniformity and quality standards required by the Franchisor for all Products and Services associated with the Marks and the Business System and agrees to the following terms and conditions to assure that all franchised businesses will be uniform in nature and will sell and dispense quality Products and Services to the public. Any required specifications, standards and operating procedures exist to protect the Franchisor's interests in the Business System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to the Franchisee.

11.2 Minimum Sales Requirements

After the Garage Force Business has been open and operating for one (1) full year, Franchisee will be required to achieve a minimum of $75,000 in Gross Revenue each year in each Franchised Territory that Franchisee has (the "Minimum Sales Requirement"). If Franchisee fails to achieve the Minimum Sales Requirement in any given year in any Franchised Territory, then the Franchisor may at its option: (i) terminate any territorial rights Franchisee has within the Franchised Territories; or (ii) terminate this Agreement. The Franchisor is not required to take either action in the event you fail to achieve the Minimum Sales Requirement described above, but the Franchisor reserves the right to do so.

11.3 Identification of Business

The Franchisee will operate the Business so that it is clearly identified and advertised as a Franchised Business. The style and form of the name "Garage Force®" and the Marks used in any advertising, marketing, public relations, telemarketing or promotional program or campaign must have the prior written approval of the Franchisor. The Franchisee will use the name "Garage Force®," the approved logo and all graphics commonly associated with the Business System and the Marks which now or hereafter may form a part of the Business System, on all FF&E, trailers, uniforms, advertising, public relations and promotional materials, Signs, videos, stationery, paper supplies, business cards and other materials used in the Franchisee's Business in the identical combination and manner prescribed by the Franchisor in writing. The Franchisee will not use or advertise any name or mark other than the Marks and the Franchisee's individual or corporate name on any trailer or materials used in connection with the Franchisee's Business without the Franchisor's prior written consent. The Franchisee will, at its expense, comply with all legal notices of registration and all trademark, trade name, service mark, copyright, patent and other notice markings that are required by the Franchisor or by applicable law.

11.4 Compliance with Standards

The Franchisee will operate its Franchised Business and use the Marks and the Business System in strict compliance with the moral and ethical standards, quality standards, operating procedures, policies, specifications, requirements and instructions required by the Franchisor, which may be amended and supplemented by the Franchisor from time to time.

11.5 Franchisee's Name

The Franchisee will not use the name "Garage Force®" or any of the other Marks in its business name or in any email address, Internet domain name, or similar online identifier. The Franchisee will hold itself out to the public as an independent contractor operating its Franchised Business pursuant to a license from the Franchisor. Whenever practical, the Franchisee will clearly indicate on its business checks, stationery, business cards, invoices, receipts, videos, advertising, public relations and promotional materials, and other written materials that the Franchisee is a franchisee of the Franchisor. The Franchisee will file for a certificate of assumed name in the manner required by applicable state law so as to notify the public that the Franchisee is operating its Franchised Business as an independent business pursuant to this Agreement.

11.6 Other Businesses

The Franchisee will not participate in any dual branding program, or in any other program, promotion or business pursuant to which a trademark, service mark, trade name, logo, slogan, or commercial symbol owned by any person or Entity other than the Franchisor is displayed, featured or used in connection with the Franchised Business without the prior written consent of the Franchisor.

11.7 Supplies and Equipment

The Franchisee will acquire the Initial Equipment Package and such other supplies, merchandise, inventory and FF&E required by the Franchisor and used by the Franchisee for the operation of its Franchised Business. The vehicles, trailers, supplies, merchandise, inventory and FF&E used in the Franchisee's Business must conform to the quality standards and uniformity requirements established by the Franchisor from time to time. All replacement vehicles, trailers, supplies, merchandise, inventory, FF&E and other items used in the Business by the Franchisee must be purchased or leased by the Franchisee from Approved Suppliers, Designated Suppliers and/or comply with the Franchisor's then-current standards and specifications. The Franchisee will be required to purchase or lease a vehicle with power and capacity sufficient to tow the trailer required for the operation of the Franchised Business. The vehicle used by the Franchisee in the operation of the Franchised Business must be kept in good working condition and must meet the appearance and cleanliness standards established by the Franchisor.

11.8 Approved Advertising and Promotion

The Franchisee will not conduct any media advertising, promotion, marketing, public relations or telemarketing programs or campaigns for its Franchised Business unless or until the Franchisor has given the Franchisee prior written approval for all concepts, materials or media proposed for any media advertising, promotion, marketing, public relations or telemarketing program or campaign. The Franchisee will not, and will not permit any third party to, advertise any business, services or products other than the Franchised Business through or in connection with the Franchisee's Business without obtaining the prior written approval of the Franchisor.

11.9 Maintenance of FF&E and Signs

The Franchisee will at all times repair and keep in good working order and appearance all FF&E and Signs used in the Franchisee's Business in accordance with the Franchisor's quality standards. The Franchisee will replace all FF&E and Signs as such items become worn-out or in disrepair with replacements which comply with the Franchisor's then-current standards and specifications.

11.10 Compliance with Operations Manual

The Franchisee will operate its Franchised Business in compliance with the Operations Manual, and will conform to the common image and identity created by the Products and Services associated with the Marks and the Business System which are portrayed and described by the Franchisor in the Operations Manual.

11.11 Compliance with Applicable Laws

The Franchisee will, at its expense, comply with all applicable federal, state, city, local and municipal laws, ordinances, rules and regulations pertaining to the operation of the Franchised Business including, but not limited to (a) health and safety regulations and laws; (b) environmental laws; (c) employment laws (including all wage and hour laws, employment laws, workers' compensation laws, discrimination laws, sexual harassment laws, disability and discrimination laws); (d) credit card and debit card laws applicable to consumers, including all privacy laws, and (e) tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, personal property taxes, real estate taxes and federal, state, and local income tax laws). The Franchisee will, at its expense, consult an attorney to obtain advice with regard to the Franchisee's compliance with all federal and state environmental laws, OSHA laws, licensing laws and all other laws relating to its Franchised Business. The Franchisee will, at its expense, be absolutely and exclusively responsible for determining the licenses and permits required by law for the Franchised Business, for timely filing, obtaining and qualifying for all such licenses and permits, and for maintaining throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Franchised Business including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, health and safety permits, certificates and licenses required under any applicable law, rule or regulation.

11.12 Other Laws

The Franchisee will comply and/or assist the Franchisor in its compliance efforts, as applicable, with any and all laws, regulations, executive orders or otherwise relating to anti-terrorist activities including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, the Franchisee will not enter into any prohibited transactions and will properly perform any currency reporting and other activities relating to the Franchised Business as may be required by the Franchisor or by law. The Franchisee confirms that it is not listed in the annex to Executive Order 13224, and agrees not to hire any person so listed or have any dealing with a person so listed. The Franchisee is solely responsible for ascertaining what actions must be taken by it to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that its indemnification responsibilities as provided in Article 22 of this Agreement pertain to its obligations hereunder.

11.13 Payment of Obligations

The Franchisee will timely pay all of its uncontested and liquidated obligations and liabilities due and payable to the Franchisor, Affiliates of the Franchisor, suppliers, lessors and creditors of the Franchisee.

11.14 Payment of Taxes

The Franchisee will be absolutely and exclusively responsible and liable for the prompt filing and payment of all federal, state, city and local taxes including, but not limited to, individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, unemployment taxes, inventory taxes, personal property taxes, real estate taxes and other taxes payable in connection with the Franchisee's Business ("Taxes"). The Franchisor will have no liability for the Taxes which arise or result from the Franchisee's Business and the Franchisee will indemnify the Franchisor for any such Taxes that may be assessed or levied against the Franchisor which arise or result from the Franchisee's Business. It is expressly understood and agreed by the Personal Guarantors to this Agreement that their personal guaranty applies to the prompt filing and payment of all Taxes which arise or result from the Franchisee's Business.

11.15 Reimbursement of Franchisor for Taxes

In the event any "franchise" or other tax which is based upon the Gross Revenues, receipts, sales, business activities or operation of the Franchisee's Business is imposed upon the Franchisor by any taxing authority, then the Franchisee will reimburse the Franchisor in an amount equal to the amount of such taxes and related costs imposed upon and paid by the Franchisor. The Franchisee will be notified in writing if the Franchisor is entitled to reimbursement for the payment of such taxes and, in that event, the Franchisee will pay the Franchisor the amount specified in the written notice within 10 days after the date of the written notice.

11.16 Standard Attire

The Franchisee will require its employees to wear the standard attire or uniforms which have been established and approved by the Franchisor. All employees of the Franchisee will wear clean and neat attire and will practice good personal hygiene.

11.17 Smoking, Drug and Alcohol Use

The Franchisee will prohibit its employees from smoking on the Franchisee's customers' premises. The Franchisee will prohibit its employees from using, possessing or being under the influence of alcohol or any controlled substance (except as prescribed by a physician) during all times that the employee is on duty. The Franchisee will adopt and enforce employee policies requiring discharge of any employee who violates the above policies. The Franchisee's failure to enforce the above policies will be deemed to be a material breach of this Agreement.

11.18 Business Hours; Personnel

The Franchised Business will be open during the times and hours specified by the Franchisor in the Operations Manual, unless the Franchisor has agreed to different hours and times in writing. The Franchisee will at all times during business hours have management personnel on duty who are responsible for supervising the employees and the business operations of the Franchisee's Business. The Franchisee will have a sufficient number of adequately trained and competent personnel on duty to guarantee efficient service to the Franchisee's customers. The Franchisee will take such steps as are necessary to ensure that its employees develop and preserve good customer relations, render competent, prompt, courteous and knowledgeable service and meet the quality and service standards established by the Franchisor.

11.19 Credit Cards

The Franchisee will honor all credit, charge, debit or cash cards or other credit or debit devices required or approved by the Franchisor in writing. The Franchisee must obtain the written approval of the Franchisor prior to honoring any unapproved credit, charge, debit or cash cards, or other credit or debit devices. To the extent the Franchisee will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services in conjunction with its Franchised Business, the Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the term of this Agreement. The Franchisee further understands it is responsible for the security of cardholder data in the possession or control of any subcontractors it engages to perform under this Agreement. Such subcontractors must be identified to and approved by the Franchisor in writing prior to sharing cardholder data with the subcontractor. The Franchisee will, if requested to do so by the Franchisor, provide appropriate documentation to the Franchisor to demonstrate compliance with applicable PCI DSS requirements by the Franchisee and all identified subcontractors.

11.20 Gift Cards, Gift Certificates and Coupons

The Franchisee will not create, sell or issue gift cards or gift certificates and will not issue coupons or discounts of any type except as may be approved in advance in writing by the Franchisor. The Franchisee will participate in all electronic and written gift certificate, gift card, coupon and customer loyalty programs approved by the Franchisor and will purchase or acquire all equipment necessary to accept electronic and written gift certificates, gift cards, coupons, and customer loyalty rewards and cards in the manner prescribed in the Operations Manual.

11.21 Standards of Service

The Franchisee will at all times give prompt, courteous and efficient service to its customers. The Franchisee will, in all dealings with its customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

11.22 Inspection Rights

The Franchisee will permit the Franchisor or its representatives to enter, remain on, and inspect the Franchisee's Business whenever the Franchisor reasonably deems it appropriate and without prior notice to interview the Franchisee's employees and customers, to take photographs and videotapes of and examine the condition of the FF&E used in the operation of the Franchisee's Business, to examine or review representative samples of the Products and Services sold or used by the Franchisee's Business, to evaluate the quality of the Products and Services provided by the Franchisee to its customers, and to evaluate the appearance and conduct of the Franchisee's employees. The Franchisor will also have the right to send a representative of the Franchisor to evaluate the operations of the Franchised Business and the quality of the Products and Services provided by the Franchisee to its customers. The Franchisor will have the right to use all interviews, photographs and videotapes of the Franchised Business for such purposes as the Franchisor deems appropriate including, but not limited to, use in advertising, marketing and promotional materials. The Franchisee will not be entitled to, and hereby expressly waives, any right that it may have to be compensated by the Franchisor, its advertising agencies, and other franchisees of franchised businesses for the use of such photographs or videotapes for advertising, marketing and promotional purposes. The Franchisor will not use any photographs of the Franchisee’s employees or customers unless written releases have been obtained by the Franchisor.

11.23 <u>Management and Operation of Franchised Business</u>

The Franchisor strongly recommends that the Franchisee (if an individual) actively participate in the management and operation of the Franchised Business, either as the General Manager or in another capacity. The Franchisee will be totally and solely responsible for the daily management and operation of the Franchised Business, and will control, supervise and manage all the employees, agents and independent contractors who work for or with the Franchisee. The Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations. The Franchisor will not have any right, obligation or responsibility to hire, control, supervise, schedule, manage or fire the Franchisee’s employees, agents or independent contractors, and will no way be involved in the day-to-day operations of the Franchised Business. The Franchisee will be solely responsible for all employment decisions and functions of the Franchised Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether the Franchisee receives advice or information from the Franchisor on these subjects. The Franchisee acknowledges and agrees that all personnel decisions will be made by the Franchisee, without any influence or advice from the Franchisor, and such decisions and actions will not be, nor be deemed to be, a decision or action of the Franchisor. Neither the Franchisee nor any employee of the Franchisee will be considered an employee of the Franchisor under any circumstances. To the extent that any legal authority determines that the Franchisor has a duty to act or not act with respect to any of the Franchisee’s employees, the Franchisor hereby assigns to the Franchisee any such duty, and the Franchisee hereby accepts such assignment.

11.24 <u>Operating Entity</u>

The Entity that becomes the Franchisee under this Agreement must be responsible for operating and managing the Franchised Business and will not hold or have any Ownership Interest in, operate, or manage any other business of any kind without the prior written approval of the Franchisor.

11.25 <u>Security Interest</u>

This Agreement and the Franchise granted to the Franchisee hereunder may not be the subject of a security interest, lien, levy, attachment or execution by the Franchisee’s creditors, any financial institution or any other party, except with the prior written approval of the Franchisor.

11.26 <u>Franchisor’s Right to Disclose</u>

The Franchisor will have the right to disclose in its Franchise Disclosure Document as required by law, and in other documents and places as determined by the Franchisor, any information relating to the Franchised Business, including the Franchisee’s name, any address and/or telephone number(s), revenues, expenses, results of operations and/or other information. Any disclosure by the Franchisor will be for reasonable business purposes, and its rights under this provision will survive the assignment, termination or expiration of this Agreement.

11.27 <u>Notices of Default; Lawsuits or Other Claims</u>

The Franchisee will immediately deliver to the Franchisor a copy of any notice of default received from any mortgagee, trustee under any deed of trust, contract for deed holder, lessor or any other party with respect to the Franchised Business and copies of all written notifications of any lawsuits, consumer claims, employee claims, federal or state administrative or agency proceedings or investigations or other claims, actions or proceedings relating to the Franchisee’s Business. Upon request from the Franchisor, the Franchisee will provide such additional information as may be required by the Franchisor regarding the alleged default, lawsuit, claim, action, investigation or proceeding, and any subsequent action or proceeding in connection with the alleged default, lawsuit, claim, action, investigation or proceeding.

ARTICLE 12
COMPUTER EQUIPMENT AND SOFTWARE

12.1 Office and Telecommunication Equipment; Telephone Lines

The Franchisee will, at its sole expense, obtain and maintain at all times during the term of this Agreement, telecommunications and computer equipment for use in the operation of the Franchised Business as specified in the Operations Manual or otherwise in writing by the Franchisor.

12.2 Technology Fee.

The Franchisee will pay the Franchisor its then-current technology fee ("Technology Fee") in the manner, method, and frequency as set forth in the Operations Manual or otherwise in writing. Franchisee is only required to pay one Technology Fee per each contiguous Franchised Territory area that Franchisee is granted the right to operate within. The Technology Fee may be used in connection with developing, researching, installing, implementing, using, hosting, modifying, upgrading, or maintaining any software, hardware, websites, platforms, applications, or for any other technology-related purposes the Franchisor deems appropriate in its sole discretion.

12.3 Computer Equipment and Software

The Franchisee will, at its sole expense, purchase, lease, or acquire all of the Computer Equipment and Computer Software (sometimes collectively referred to as the "Computer System") required for the operation of the Franchisee's Business specified in the Operations Manual or otherwise in writing by the Franchisor including, but not limited to, the Computer Equipment and Computer Software for, if/when applicable: (a) a customer relationship management system (the "CRM System"), (b) an accounting system, (c) the processing of credit cards and bank debit cards, (d) the processing of gift cards, gift certificates and the like, and (e) an on-line inventory ordering system. The Franchisee will, upon written notice from the Franchisor update and upgrade the Computer System as deemed necessary by the Franchisor from time to time for the efficient operation of the Franchised Business. The Computer System must provide the information and functions (including scheduling, estimating, bidding, reporting and employee timekeeping) described in the Operations Manual, and the Franchisee must enter all data and information into the Computer System and the CRM System (if/when applicable) that is required pursuant to the Operations Manual or otherwise in writing by the Franchisor. The Franchisor will have the right to directly access and download all Financial Records, Financial Statements and other information contained in the Computer System according to the protocol set forth in the Operations Manual. The Franchisee will be responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders, and the Franchisee waives any and all Claims against the Franchisor as the direct or indirect result of such disruptions, failures and attacks.

12.4 Other Equipment

The Franchisee will purchase and pay for all other electronic and other equipment described in the Operations Manual or otherwise required in writing by the Franchisor for the operation of the Franchised Business.

12.5 Internet Provider

The Franchisee will, at all times during the term of this Agreement, at the Franchisee's expense, have access to the Internet through a high speed connection.

12.6 Email Address

The Franchisee will, at all times during the term of this Agreement, maintain an active email account and will regularly monitor and respond to messages in the account within a reasonable amount of time. The Franchisee's email address will be provided to the Franchisor and will be used as a method for the Franchisee and the Franchisor to communicate with each other and to transmit documents and other information. The Franchisee will not use the name "Garage Force®" as any part of its email address or its domain name.

12.7 Internet Website; Intranet Matters

The Franchisee will not establish a website or other online presence to advertise or promote its Franchised Business without the prior written consent of the Franchisor. All features of any proposed website or other online presence, including the domain name or other online identifier, content, format, and links to other websites, must be approved by the Franchisor prior to the activation of the website or other online presence by the Franchisee. The Franchisee will not have the right to use or register any internet name or email address in any class or category that contains the words “Garage Force” or any abbreviation, acronym or variation of those words without the Franchisor’s prior written consent. If the Franchisor develops an Intranet network through which the Franchisor and its franchisees can communicate by email or similar electronic means, then the Franchisee will use the Garage Force® Intranet in strict compliance with the standards, protocols and restrictions that are set forth in the Operations Manual. The Franchisee will not transmit any confidential information, documents or data over the Internet without first encrypting the transmission using the encryption program adopted by the Franchisor for the Intranet site. The Franchisee will not make any derogatory, defamatory or libelous statements in any transmission made through the Intranet site or by any other means.

12.8 Social Media

None of the Franchisee or its Owners, employees or agents will have the right to use any of the Marks or other intellectual property of the Franchisor on any social network, social media or online community on the Internet or any other online, digital or electronic medium including, but not limited to, any “blog,” YouTube, Facebook, MySpace, Wikipedia, professional networks like Linked-In, live-blogging and micro-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools (“Social Media”), except with the prior written permission of the Franchisor. The Franchisee and its Owners, employees and agents will comply with all of the Franchisor’s policies, standards and procedures for use of any Social Media that in any way references the Marks or involves the Franchised Business.

ARTICLE 13
INSURANCE

13.1 General Liability Insurance

The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, general liability insurance with coverage of at least $2,000,000 insuring the Franchisee, the Franchisor and their respective officers, directors, Owners, agents and employees from and against any and all Claims and Damages of any kind whatsoever, including errors and omissions, bodily injury, personal injury, death, property damage, products liability, data security/cyber breach liability and all other Claims and Damages resulting from the condition, operation, use, business or occupancy of the Franchised Business.

13.2 Vehicle Insurance

The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, automobile liability insurance with coverage of at least $1,000,000 insuring the Franchisee, the Franchisor and their respective officers, directors, Owners, agents and employees from any and all Claims and Damages of any kind whatsoever resulting from the use, operation or maintenance of all vehicles owned by the Franchisee or used by the Franchisee or any of the Franchisee’s employees (including vehicles owned or leased by any employee of the Franchisee) in connection with the Franchisee’s Business.

13.3 Property Insurance; Fire and Extended Coverage

The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, “all risks” property insurance coverage, which must include fire and extended coverage, for the inventory, FF&E owned or leased by the Franchisee and used by the Business. The Franchisee’s property insurance policy (including fire and extended coverage) must have coverage limits of at least “replacement” cost.

13.4 Umbrella Liability Insurance

The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, “umbrella” liability insurance with coverage of at least $2,000,000 insuring the Franchisee, the Franchisor and their respective officers, directors, Owners, agents and employees from and against any and all Claims and Damages of any kind whatsoever in excess of the coverages obtained pursuant to Article 13.1 and 13.2 above.

13.5 Other Insurance

The Franchisee will, at its sole cost and expense, procure and maintain all other insurance required by state or federal law, including workers’ compensation insurance for its employees, as well as all insurance required under any lease, mortgage, deed of trust, contract for deed or any other legal contract in connection with the Franchisee's Business.

13.6 Insurance Companies; Evidence of Coverage

All insurance companies providing coverage to the Franchisee and the Franchisee's Business must be acceptable to and approved by the Franchisor, and must be licensed in the state where coverage is provided. The Franchisee will provide the Franchisor with certificates of insurance evidencing the insurance coverage required pursuant to this Article no later than the date the Franchisee opens for business, and the Franchisee will immediately provide a new certificate of insurance to the Franchisor upon expiration, change or cancellation of any insurance policy.

13.7 Defense of Claims

All liability insurance policies procured and maintained by the Franchisee will require the insurance company to provide and pay for attorneys to defend any Claims brought against the Franchisee, the Franchisor, and their respective officers, directors, Owners, employees and agents.

13.8 Franchisor's Rights

All insurance policies procured and maintained by the Franchisee pursuant to this Article will name the Franchisor as an additional named insured, will contain endorsements by the insurance companies waiving all rights of subrogation against the Franchisor, and will stipulate that the Franchisor will receive copies of all notices of cancellation, nonrenewal, or coverage reduction or elimination at least 30 days prior to the effective date of such cancellation, nonrenewal or coverage change.

13.9 Franchisee's Insurance Obligations

The Franchisee's obligation to obtain and maintain these insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that the Franchisor may maintain, nor does the Franchisee's procurement of required insurance relieve the Franchisee of liability under the indemnification obligations described in Article 22. The Franchisee's insurance procurement obligations under this Article are separate and independent of the Franchisee's indemnity obligations. The Franchisor does not represent or warrant that any insurance that the Franchisee is required to purchase will provide adequate coverage for the Franchisee. The Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by the Franchisor.

13.10 Material Breach

The Franchisee's failure to comply with the provisions of this Article will be deemed to be a material breach of this Agreement and the Franchisor will have the right, but not the obligation, to procure on behalf of the Franchisee and the Franchisee's Business, any and all insurance required under this Agreement with the agent and insurance company of the Franchisor's choice. The Franchisor will invoice the Franchisee for all costs and expenses incurred by the Franchisor to procure the required insurance coverage on behalf of the Franchisee and the Franchisee's Business. Within 10 days after receipt of an invoice from the Franchisor, the Franchisee must pay all amounts owed to the Franchisor for the Costs and Expenses to procure insurance coverage on behalf of the Franchisee and the Franchised Business.

ARTICLE 14
FINANCIAL STATEMENTS, REPORTS OF GROSS REVENUES, FORMS AND ACCOUNTING

14.1 Monthly, Year-To-Date and Annual Financial Statements

The Franchisee will, at its expense, provide the Franchisor with monthly and year-to-date Financial Statements, as well as annual Financial Statements for the Franchisee's Business. All Financial Statements will be in the form prescribed by the Franchisor in writing, will conform to the standard chart of accounts prescribed by the Franchisor and will be prepared in accordance with generally accepted accounting principles applied on a consistent basis. The Franchisee's monthly and year-to-date Financial Statements will be delivered to the Franchisor by the 15th day of each month for the preceding month, and the Franchisee's annual Financial Statements will be delivered to the Franchisor within 90 days after the Franchisee's fiscal year end.

14.2 Verification of Financial Statements

If the Franchisee's annual Financial Statements are not certified by an independent certified public accountant, then the Franchisee's annual Financial Statements must be verified by the Franchisee's President and Chief Financial Officer, or if the Franchisee is not a corporation, then by the Franchisee's Managing Partner or Chief Operating Partner and the Franchisee's Chief Financial Partner.

14.3 Tax Returns

Within 90 days after the Franchisee's fiscal year end, the Franchisee will provide the Franchisor with signed copies of the Franchisee's annual federal and state income tax returns, sales tax returns, and copies of any other federal, state and local tax returns filed by the Franchisee for the Franchised Business including, but not limited to, any amended tax returns filed by the Franchisee for preceding years together with written proof that the Franchisee has paid all taxes due.

14.4 Reports of Gross Revenues

The Franchisee will maintain an accurate written record of the daily Gross Revenues for the Franchisee's Business and will remit a signed and verified statement of the Gross Revenues generated by, at, as a result of, or from the Franchisee's Business using such forms as the Franchisor may from time to time prescribe in writing (the "Gross Revenues Report"). The Gross Revenues Reports will be due on the 10th day of each calendar month for the preceding calendar month.

14.5 Franchisor's Audit Rights

The Franchisee and the Franchisee's accountants will make all of their Financial Records available to the Franchisor at all reasonable times for review and audit by the Franchisor or its designee, and will provide the Franchisor with adequate facilities to conduct the review and audit. If the Financial Records are computerized, then the Franchisor will have the absolute right to access the Franchisee's computer and software programs containing the Financial Records. The Franchisor or its designee will have the right to make copies of the Franchisee's Financial Records in hard copy or electronic form. The Franchisee's Financial Records for each fiscal year will be kept in a secure place by the Franchisee and will be available for audit by the Franchisor for at least five years. If an audit by the Franchisor results in a determination that the Franchisee's Gross Revenues were understated by more than 2%, or that the Franchisee has underpaid the Continuing Fees by more than $500 during any 12-month period, then the Franchisee will pay the Franchisor for all costs and expenses (including Salaries of the Franchisor's employees, Travel Expenses, and audit fees) that the Franchisor incurred as a result of the audit of the Franchisee's Financial Records. If the Franchisee has underpaid the Franchisor, then the Franchisee will, within 10 days after receipt of an invoice from the Franchisor indicating the amounts owed, pay to the Franchisor any deficiency in Continuing Fees or other amounts owed to the Franchisor, together with interest and Late Payment Fees as provided for herein. The Franchisee's failure or refusal to produce the Financial Records for audit by the Franchisor in accordance with this Article 14.5 will constitute a material breach of this Agreement and will be grounds for the immediate termination of this Agreement by the Franchisor.

14.6 Electronic Funds Transfers

The Franchisee will, from time to time during the term of this Agreement, execute such documents as the Franchisor may request to provide the Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution authorizing and directing the Franchisee's bank or financial institution to pay the Franchisor or an Affiliate of the Franchisor directly by electronic funds transfer ("EFT") the full amount of the Continuing Fees, Branding Fees and other sums due and payable by the Franchisee to the Franchisor or the Affiliate under this Agreement or any other agreement, and to charge such payments to the account of the Franchisee. The EFT withdrawal authorizations will be in the form prescribed by the Franchisor. EFT withdrawals will be initiated by the Franchisor on the Fee Payment Date as set forth in this Agreement, and upon the issuance of an invoice by the Franchisor or an Affiliate of the Franchisor for other amounts payable by the Franchisee. The Franchisee's EFT authorizations will permit the Franchisor to designate the amount to be withdrawn from the Franchisee's account, and to adjust such amount from time to time, for the

Continuing Fees, Branding Fees and other sums then payable by the Franchisee. If the Franchisee fails at any time to provide the Gross Revenues Reports required under this Article, then the Franchisor will have the right, in its sole discretion, to estimate the amount of fees payable by the Franchisee for the applicable Fee Payment Period, and to withdraw the amount of the estimated fees by EFT from the Franchisee's bank account in accordance with the provisions of this Article 14.6. The Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be withdrawn from the Franchisee's account for all current fees or other amounts payable by the Franchisee and paid directly to the Franchisor or an Affiliate of the Franchisor. It will be a default under this Agreement if the Franchisee fails to maintain an account balance sufficient to pay the fees or other amounts payable by the Franchisee, or if the Franchisee closes the account designated to pay the fees and other amounts owed without first designating a new account and notifying the Franchisor of the new account information. The Franchisee will be responsible for all fees imposed by its bank or financial institution in connection with the Franchisee's EFT payments.

ARTICLE 15
FRANCHISOR'S RIGHT OF FIRST REFUSAL

15.1 Right to Purchase Business Assets

The Franchisee will not Transfer the Business or the Business Assets to any party without first offering the same to the Franchisor in a written offer that contains all material terms and conditions of the proposed Transfer (the "Price and Terms"). This provision does not apply to the assignment or pledge of the Business Assets (with the exception of this Agreement) by the Franchisee to a bank, financial institution or other lender made in connection with the financing of the trailers, supplies, inventory, Signs, FF&E, and/or the real estate and building used in the Franchisee's Business.

15.2 Notice of Proposed Sale.

Within 15 business days after receipt by the Franchisor of the Franchisee's written offer specifying the Price and Terms for the proposed Transfer of the Business Assets, the Franchisor will give the Franchisee written notice in which the Franchisor will either waive its right of first refusal to purchase, or will state an interest in negotiating to purchase the Business Assets. If the Franchisor commences negotiations to purchase the Franchisee's Business Assets as set forth herein, then the Franchisee will not Transfer the Business Assets to a third party until the Franchisor and the Franchisee agree in writing that the negotiations have terminated. If the Franchisor waives its right to purchase, then the Franchisee will have the right to complete the Transfer of the Business Assets according to the Price and Terms set forth in the written notice to the Franchisor; however, any such Transfer to a third party is expressly subject to the terms and conditions set forth in Article 16 of this Agreement. If the Franchisee does not consummate the Transfer of the Business Assets to a third party upon the Price and Terms previously presented to the Franchisor in writing, but negotiates a sale price with a third party that is lower or on different terms and conditions than the stated Price and Terms for the Business Assets presented to the Franchisor, then the offer must be recommunicated or made to the Franchisor by the Franchisee. The Franchisor will give the Franchisee written notice within 15 business days thereafter which will state whether or not the Franchisor is interested in purchasing the Business Assets according to the proposed new terms. The Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay the Continuing Fees and Branding Fees, and to operate the business as a Franchised Business in accordance with this Agreement will in no way be affected or changed because of the Franchisor's nonacceptance of the Franchisee's written offer to purchase the Business Assets, and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. Moreover, if the Franchisor does not exercise the rights granted to it pursuant to this provision and if the Franchisee complies with Article 16 and Transfers the Business Assets to a third party, then both the Franchisee and the third party purchaser will be required to comply in all respects with the terms and conditions of this Agreement and the Transfer of the Business Assets will not relieve the Franchisee of its obligations under this Agreement. The Franchisor's decision not to exercise the rights granted to it pursuant to this provision will not, in any way, be deemed to grant the Franchisee the right to terminate this Agreement and will not affect the term of this Agreement.

15.3 <u>Sale of Ownership Interests by Franchisee's Owners</u>

The Ownership Interests of the Franchisee owned by the Franchisee's Owners may not be Transferred by the Franchisee's Owners until the Ownership Interests offered for Transfer have first been offered to the Franchisor in writing under the same terms and conditions offered to any third party. In the event the Franchisee's Owners desire to Transfer any Ownership Interests, then the Franchisee's Owners will first offer them to the Franchisor in writing under the same terms and conditions being offered to any third party. The Franchisor will have 15 business days within which to accept any Owner's offer to Transfer the Ownership Interests. Notwithstanding the terms of this Article, the Franchisee's Owners may bequeath or Transfer their Ownership Interests to their spouse or children or to the other registered Owners of the Franchisee without first offering it to the Franchisor, provided that each proposed transferee Owner who will be involved in the operations or management of the Business is, in the Franchisor's reasonable judgment, qualified from a managerial and financial standpoint to operate the Franchised Business in an economic and businesslike manner. The Franchisee and the Franchisee's Owners must give the Franchisor prior written notice of all proposed Transfers, and the proposed transferee Owners must agree to be personally liable under this Agreement and enter into a written agreement where they agree to perform all the terms and conditions of this Agreement. All certificates evidencing Ownership Interests issued by the Franchisee to its Owners must bear the following legend:

> The Ownership Interest represented by this certificate is subject to a written Franchise Agreement which grants the Franchisor the right of first refusal to purchase this Ownership Interest from the Owner. Any person acquiring the Ownership Interest represented by this certificate will be subject to the terms and conditions of the Franchise Agreement between the company named on this certificate and the Franchisor, which includes covenants not to compete that apply to all Owners.

15.4 <u>Acknowledgment of Restrictions</u>

The Franchisee acknowledges and agrees that the restrictions imposed by the Franchisor on the transfer of the Business Assets are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as the Franchisor's reputation and image, and are for the protection of the Franchisor, the Franchisee and all other franchisees that own and operate franchised businesses. Any Transfer of the Business Assets permitted by this Article will not be effective until the Franchisor receives fully executed copies of all documents relating to the Transfer, and the Franchisor has consented in writing to the Transfer.

15.5 <u>Selling Owners Subject to Covenant Not to Compete</u>

Any Owner of the Franchisee that Transfers any of his or her Ownership Interests in the Franchisee will be subject to the provisions of Article 20.3 of this Agreement after the Transfer.

15.6 <u>Right of Franchisor to Purchase Franchise Assets</u>

If this Agreement expires or is terminated by either the Franchisor or the Franchisee for any reason whatsoever, if the Franchisee wrongfully terminates this Agreement by failing to comply with Article 18 or otherwise, or if the Franchisee at any time ceases to do business within the Franchised Territory as a Franchised Business, then the Franchisor will have the right, but not the obligation, to purchase the Franchised Business, including the then-usable vehicles, supplies, inventory and FF&E, and all other assets that are required by the Franchisor for a standard Franchised Business and owned by the Franchisee in its Business and to acquire any lease or other contract rights of the Franchisee (the "Franchise Assets"). The Franchisor will not purchase any assets from the Franchisee that are not part of the standard Franchised Business. Within two business days after this Agreement expires or is terminated by either party, wrongfully terminated by the Franchisee or the Franchisee ceases to do business as a Franchised Business, the Franchisee must give the Franchisor written notice listing the cost and asking price for each of the Franchise Assets. If the Franchisee fails to give the Franchisor this notice and/or if the Franchisor and the Franchisee cannot agree on the price of the Franchise Assets, then either party will have the right to demand that the price of the Franchise Assets be determined by arbitration as provided for in Article 26. The Arbitrators will not consider any value for goodwill associated with the name "Garage Force®" in determining the fair market value of the Franchise Assets since the right of purchase granted to the Franchisor pursuant to this provision only applies after this Agreement has expired or been terminated or the Franchisee has ceased doing business. If the Arbitrators are unable to determine the fair market value of any of the Franchise Assets, then they will be valued at book value (cost less depreciation). The Franchisor will have the right, but not the obligation, to purchase any or all of the Franchise Assets from the Franchisee for cash within 20 days after the fair market value of the Franchise Assets has been established by the Arbitrators in writing. Nothing in this provision may be construed to prohibit the Franchisor from enforcing the terms and conditions of this Agreement, including the covenants not to compete contained in Article 20.

ARTICLE 16
TRANSFER

16.1 Transfer by Franchisor

This Agreement may be unilaterally Transferred by the Franchisor without the approval or consent of the Franchisee, and will inure to the benefit of the Franchisor's successors and assigns. The Franchisor will give the Franchisee written notice of any such Transfer, and the assignee will be required to fully perform the Franchisor's obligations under this Agreement.

16.2 Transfer by Franchisee to Owned or Controlled Entity

In the event the Franchisee is an individual or partnership, this Agreement may be Transferred by the Franchisee, without first offering it to the Franchisor pursuant to Article 15, to an Entity which is owned or controlled by the Franchisee without paying any Transfer Fee, provided that: (a) the Franchisee and the Owners who own a majority (51% or greater) of the voting Ownership Interests of the transferee Entity sign or have signed a personal guaranty in the form contained in this Agreement; (b) the Franchisee furnishes prior written proof to the Franchisor substantiating that the transferee Entity will be financially able to perform all of the terms and conditions of this Agreement; and (c) none of the Owners owns, operates, franchises, develops, manages or controls any Competing Business. The Franchisee will give the Franchisor 30 days written notice prior to the proposed date of Transfer of this Agreement to an Entity owned or controlled by the Franchisee; however, the Transfer of this Agreement will not be valid or effective until the Franchisor has received the documents its attorneys deem reasonably necessary to properly and legally document the Transfer of this Agreement to the Entity as provided for herein.

16.3 Transfer by Individual Franchisee in Event of Death or Permanent Disability

If the Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be Transferred or bequeathed by the Franchisee to any designated person or beneficiary without first offering the Franchisor the right to acquire this Agreement pursuant to Article 15 of this Agreement and without the payment of any Transfer Fee. However, the Transfer of this Agreement to the transferee or beneficiary of the Franchisee will be subject to the applicable conditions in Article 16.4, and will not be valid or effective until the Franchisor has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the Transfer or bequest of this Agreement. Furthermore, the transferee or beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and to personally guarantee the performance of the Franchisee's obligations under this Agreement.

16.4 Approval of Transfer

Subject to the provisions of Article 16.2 and 16.3, this Agreement or the Business Assets, may be Transferred by the Franchisee only with the prior written approval of the Franchisor. The Franchisor will not unreasonably withhold its consent to any Transfer of this Agreement, provided the Franchisee and/or the transferee Franchisee comply with the following conditions: (a) the Franchisee has complied in all respects with the applicable provisions of Article 15 of this Agreement; (b) the Franchisee has provided written notice to the Franchisor of the proposed Transfer at least 90 days prior to the Transfer date; (c) all of the Franchisee's monetary obligations due to the Franchisor have been paid in full, and the Franchisee is not otherwise in default under this Agreement; (d) the Franchisee has executed a written agreement, in a form satisfactory to the Franchisor, in which the Franchisee agrees to observe all applicable provisions of this Agreement, including the provisions with obligations and covenants that continue beyond the expiration or termination of this Agreement which includes the covenants not to compete contained in Article 20 of this Agreement; (e) the transferee Franchisee is not and does not intend to own, operate or be involved in a Competing Business;

(f) the Franchisor and the Franchisee have executed a joint and mutual release, in a form satisfactory to the Franchisor, of any and all Claims against the Franchisor or the Franchisee and their respective officers, directors, shareholders, Owners, agents and employees, in their corporate and individual capacities arising from, in connection with, or as a result of this Agreement, any obligations of the Franchisor under this Agreement, or the Franchisee's initial purchase of the Franchise including, without limitation, all past and future Claims arising under any federal or state franchising laws, unfair or deceptive trade practices laws, anti-trust laws, or any other federal, state or local law, rule or ordinance; provided, however, that the terms of the release between the Franchisor and the Franchisee will exclude (i) any Claims based on any unpaid Continuing Fees, Branding Fees, or other amounts payable by the Franchisee on or before the date of this Agreement, (ii) any Claims brought by any third party against the Franchisor based on any event that occurred prior to the date of this Agreement, and (iii) any obligations of the Franchisor and the Franchisee arising out of or in connection with any other agreements or contracts executed by them that will remain in force and effect; (g) the transferee Franchisee has demonstrated to the Franchisor's satisfaction that he, she or it meets the Franchisor's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate the Franchised Business in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (h) prior to the date of Transfer, the transferee Franchisee and its General Manager must successfully complete the training program prescribed by the Franchisor and the transferee Franchisee must pay the Training Expenses for the transferee Franchisee and all other persons sent to the Franchisor's training program; and (i) the transferee Franchisee and all parties having a legal or beneficial interest in the transferee Franchisee, including, if applicable, the transferee Franchisee's Owners and Personal Guarantors as required by the Franchisor, execute the Franchisor's then-current standard Franchise Agreement for a term ending on the date of expiration of this Agreement and such other ancillary agreements as the Franchisor may require for the Transfer of the Franchised Business. The transferee Franchisee will not be required to pay any Initial Fee, and will pay the Continuing Fees and Branding Fees to the Franchisor at the rate specified in this Agreement. However, the transferee Franchisee will be required to pay all additional fees and to comply with all other provisions not specified or provided for in this Agreement but which are required pursuant to the terms of the then-current standard Franchise Agreement. The Franchisor may expand upon, and provide more details related to, the conditions for Transfer and the Franchisor's consent as described in this Article 16.4, and may do so in the Operations Manual or otherwise in writing.

16.5 Transfer to Competitor Prohibited

The Franchisee will not Transfer this Agreement to any person or Entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any Competing Business. If the Franchisor refuses to permit a Transfer of this Agreement under this Article 16.5, the Franchisee's only remedy will be to have an Arbitrator or a court of competent jurisdiction determine whether the proposed transferee is involved in a Competing Business.

16.6 Acknowledgment of Restrictions

The Franchisee acknowledges and agrees that the restrictions imposed by the Franchisor on the transfer of this Agreement and the Business Assets are reasonable and necessary to protect the goodwill associated with the Business System and the Marks, as well as the Franchisor's reputation and image, and are for the protection of the Franchisor, the Franchisee and all other franchisees that own and operate franchised businesses. Any Transfer permitted by this Article 16 will not be effective until the Franchisor receives fully executed copies of all documents relating to the Transfer, and the Franchisor has consented in writing to the Transfer.

16.7 Transfer Fee

If, pursuant to the terms of this Article 16, this Agreement is Transferred to another person or Entity, or if the Franchisee's Owners Transfer in the aggregate controlling interest in the Franchisee to a third party, then the Franchisee will pay the Franchisor a Transfer Fee in the amount equal to 20% of the then-current Initial Fee for the costs incurred by the Franchisor for training the transferee Franchisee and its General Manager, attorneys' fees, accountants' fees, out-of-pocket expenses, long distance telephone calls, administrative costs and the time of its employees and officers. The Transfer Fee must be paid by the Franchisee to the Franchisor on or before the date of closing on the Transfer.

ARTICLE 17
FRANCHISOR'S TERMINATION RIGHTS; DAMAGES

17.1 Conditions of Breach

In addition to its other rights of termination contained in this Agreement, the Franchisor will have the right to terminate this Agreement if: (a) the Franchisee fails to open and commence operations of its Franchised Business within six months after the date of this Agreement; (b) the Franchisee violates any material provision, term or condition of this Agreement including, but not limited to, failure to timely pay the Initial Fee, any Continuing Fees, any Branding Fees or any other monetary obligations or fees due to the Franchisor; (c) the Franchisee or any of its General Managers, directors, officers or majority Owners are convicted of, or plead guilty to or no contest to, a charge of violating any law relating to the Business, or any felony; (d) the Franchisee fails to conform to the Business System or the standards of uniformity and quality for the Products and Services promulgated by the Franchisor in connection with the Business System; (e) the Franchisee fails to timely pay any of its uncontested obligations or liabilities due and owing to its employees, suppliers, banks, purveyors and other creditors, the Franchisor or an Affiliate of the Franchisor; (f) the Franchisee is determined to be insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee, or the Franchisee files for bankruptcy or is adjudicated a bankrupt under any state or federal law; (g) the Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (h) any check issued by the Franchisee is dishonored because of insufficient funds (except where the check is dishonored because of an error in bookkeeping or accounting) or closed accounts; (i) the Franchisee fails to acquire the Initial Equipment Package and such other supplies, merchandise, inventory and FF&E required for its Business prior to commencing business; (j) the Franchisee voluntarily or otherwise Abandons its Business; (k) the Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name "Garage Force®" any other Marks or the Business System; or (l) the Franchisee fails to file any required federal, state or other income or sales tax return or fails to timely pay any federal, state or other income or sales taxes when due.

17.2 Notice of Breach

The Franchisor will not have the right to terminate this Agreement for a breach set forth in Article 17.1 unless and until: (a) written notice setting forth the alleged breach in detail has been given to the Franchisee by the Franchisor; and (b) the Franchisee fails to correct the alleged breach within the period of time specified by applicable law. In the event that applicable law does not specify a time period to correct an alleged breach, then the Franchisee will have 30 days after the date of the written notice to correct the alleged breach, except where the written notice states that the Franchisee is delinquent in the payment of any Continuing Fees, Branding Fees or other amounts payable to the Franchisor pursuant to this Agreement, in which case the Franchisee will have 15 days after the date of the written notice to correct the breach by making full payment (including interest and Late Payment Fees as provided for herein) to the Franchisor. If the Franchisee fails to correct the alleged breach set forth in the written notice within the applicable period of time, then this Agreement may be terminated by the Franchisor as provided for in this Agreement. For the purposes of this Agreement, an alleged breach of this Agreement by the Franchisee will be deemed to be "corrected" if both the Franchisor and the Franchisee agree in writing that the alleged breach has been corrected.

17.3 Notice of Termination

If the Franchisor has complied with the provisions of this Article and if the Franchisee has not corrected the alleged breach set forth in the written notice within the time period specified in this Agreement, then the Franchisor will have the absolute right to terminate this Agreement by giving the Franchisee written notice that this Agreement is terminated and in that event, the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 28.

17.4 Franchisor's Immediate Termination Rights

Notwithstanding any other provision of this Agreement, the Franchisor will have the absolute right and privilege, unless precluded by applicable law, to immediately terminate this Agreement if: (a) the Franchisee or any of its General Managers, directors, officers or majority Owners are convicted of, or plead guilty to or no contest to a charge of violating any law relating to the Franchisee's Business, or any felony; (b) the

Franchisee is determined to be insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee, or the Franchisee files for bankruptcy or is adjudicated a bankrupt under any state or federal law; (c) the Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (d) the Franchisee voluntarily or otherwise Abandons its Business; (e) the Franchisee fails or refuses to permit the Franchisor to audit the Franchisee's Financial Records or fails or refuses to produce its Financial Records for audit by the Franchisor in accordance with Article 14.5; (f) the Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the Franchisor's Marks or the Business System and the Franchisee fails to correct the breach within 24 hours of written notice from the Franchisor of the breach; or (g) the Franchisee fails to achieve its Minimum Sales Requirement for any Franchised Territory in any year.

17.5 Notice of Immediate Termination

If this Agreement is terminated by the Franchisor pursuant to Article 17.4 above, then the Franchisor will give the Franchisee written notice that this Agreement is terminated and in that event, the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 28.

17.6 Damages

In the event this Agreement is terminated by the Franchisor pursuant to this Article 17, or if the Franchisee breaches this Agreement by a wrongful termination or a termination that is not in accordance with the terms and conditions of Article 18 of this Agreement, then the Franchisor will be entitled to seek recovery from the Franchisee for all Damages that the Franchisor has sustained and will sustain in the future as a result of the Franchisee's breach of this Agreement, taking into consideration the Continuing Fees and other amounts that would have been payable by the Franchisee for the remaining term of this Agreement.

17.7 Other Remedies

Nothing in this Article 17 will preclude the Franchisor from seeking other remedies or damages under state or federal laws, common law, or under this Agreement against the Franchisee including, but not limited to, attorneys' fees, punitive damages and injunctive relief.

ARTICLE 18
FRANCHISEE'S TERMINATION RIGHTS

18.1 Conditions of Breach

The Franchisee will have the right and privilege to terminate this Agreement, as provided herein, if: (a) the Franchisor violates any material provision, term or condition of this Agreement; or (b) the Franchisor fails to timely pay any material uncontested obligations due and owing to the Franchisee.

18.2 Notice of Breach

The Franchisee will not have the right to terminate this Agreement or to commence any action, lawsuit or arbitration proceeding against the Franchisor for breach of this Agreement, injunctive relief, violation of any state, federal or local law (including alleged violations of franchise laws), violation of common law (including allegations of fraud and misrepresentation), rescission, general or punitive damages, or termination, unless and until: (a) written notice setting forth the alleged breach or violation in detail has been given to the Franchisor by the Franchisee; and (b) the Franchisor fails to correct the alleged breach or violation within 30 days after the date of the written notice. If the Franchisor fails to correct the alleged breach or violation, as provided for herein, within 30 days after written notice of the alleged breach, then this Agreement may be terminated by the Franchisee as provided for in this Agreement. For the purposes of this Agreement, an alleged breach or violation of this Agreement by the Franchisor will be deemed to be "corrected" if both the Franchisor and the Franchisee agree in writing that the alleged breach or violation has been corrected.

18.3 Arbitration

If the Franchisor files a demand for arbitration, as provided for in this Agreement, within 30 days after the date the Franchisor is given written notice of any alleged breach of this Agreement by the Franchisee, then the Franchisee will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to arbitration, the Arbitrators determine that the Franchisor has breached this Agreement and the Franchisor fails to correct the breach within the applicable time period. If the Arbitrators determine that the Franchisor has violated or breached this Agreement as alleged by the Franchisee in the written notice given to the Franchisor, then the Franchisor will have 30 days from the date the Arbitrators issue a written determination on the matter to correct the specified breach or violation of this Agreement. If the Franchisor does timely correct the specified breach or violation of this Agreement, then this Agreement will remain in full force and effect. If the Franchisor does not correct the specified breach or violation of this Agreement, then the Franchisee will have the right to terminate this Agreement by giving the Franchisor written notice that this Agreement is terminated, and in that event the effective date of termination of this Agreement will be the day the written notice of termination is given, as specified in Article 28. For the purpose of this Agreement, any controversy or dispute on the issue of whether the Franchisor has timely corrected the specified breach or violation of this Agreement will also be subject to arbitration as provided for herein. The time limitation set forth in this Article within which the Franchisor may demand arbitration of a dispute or controversy relating to the right of the Franchisee to terminate this Agreement for an alleged breach will be mandatory. If the Franchisor fails to comply with the time limitation set forth in this Article, the Franchisee may terminate this Agreement as provided for herein.

18.4 Waiver

The Franchisee must give the Franchisor immediate written notice of any alleged breach or violation of this Agreement after the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach or violation of this Agreement by the Franchisor. If the Franchisee fails to give written notice to the Franchisor of any alleged breach or violation of this Agreement within one year from the date that the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach or violation by the Franchisor, then the alleged breach or violation by the Franchisor will be deemed to be condoned, approved and waived by the Franchisee, the alleged breach or violation by the Franchisor will not be deemed to be a breach or violation of this Agreement by the Franchisor, and the Franchisee will be barred from commencing any arbitration or other action against the Franchisor for that alleged breach or violation.

18.5 Injunctive Relief Available to Franchisor

Notwithstanding any of the foregoing provisions, if the Franchisee gives the Franchisor any notice of an alleged breach or violation of this Agreement or of any laws that give rise to Claims, Damages and/or the termination of this Agreement by the Franchisee, then the Franchisor will have the absolute right to immediately commence legal action against the Franchisee to enjoin and prevent the termination of this Agreement by the Franchisee until the matter has been heard in arbitration without giving the Franchisee any notice and without regard to any waiting period that may be contained in this Agreement. If the Franchisor commences such legal action against the Franchisee and if a court of competent jurisdiction determines that this Agreement or any provision is not subject to arbitration for any reason, then the Franchisee will not have the right to terminate this Agreement, as provided for herein, unless and until a court of competent jurisdiction has ruled on the merits that the Franchisor has breached this Agreement in the manner alleged by the Franchisee, and then only if the Franchisor fails to correct the breach or violation within 30 days after a final judgment has been entered against the Franchisor and all time for appeals by the Franchisor has expired. If the Franchisor commences any legal action against the Franchisee as contemplated by this provision, which will include legal actions for injunctive relief against the Franchisee to enjoin termination of this Agreement, then the Franchisor will not be required to post any bonds or security whatsoever in such legal action.

ARTICLE 19
FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

19.1 Termination of Use of Marks; Other Obligations

In the event this Agreement is terminated for any reason or this Agreement expires without the Franchisee reacquiring the Franchise for the Franchised Territory, then the Franchisee will: (a) within five days after termination, pay all fees and other amounts due and owing to the Franchisor or an Affiliate under this Agreement and any other agreement between the Franchisee and the Franchisor or an Affiliate; (b) immediately return to the Franchisor by first class prepaid United States mail the Operations Manual, advertising materials and all other printed materials pertaining to the Franchised Business; (c) immediately inform its suppliers in writing of the termination of the Franchisee's right to operate the Franchised Business; and (d) comply with all other applicable provisions of this Agreement. Upon termination or expiration of this Agreement for any reason, the Franchisee's right to use the name "Garage Force®," the other Marks and the Business System will terminate immediately. The Franchisee agrees and acknowledges that its continued use of the Marks after the expiration or termination of this Agreement will be without the Franchisor's consent and will constitute an "exceptional case" under federal trademark law (15 U.S.C. §1117), entitling the Franchisor to recover treble damages, Costs and Expenses, and attorneys' fees.

19.2 Transfer of Directory Listings

Upon termination or expiration of this Agreement, the Franchisor will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and all directory listings under the "Garage Force®" name and to authorize the telephone company and all listing agencies to transfer to the Franchisor or its assignee all telephone numbers and directory listings for the Franchised Business. The Franchisee acknowledges that the Franchisor has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and the Franchisee hereby authorizes the Franchisor to direct the telephone company and all listing agencies to transfer the Franchisee's telephone numbers and directory listings to the Franchisor or the Franchisor's assignee if this Agreement expires or is terminated for any reason whatsoever. The telephone company and all listing agencies will have the right to accept this Agreement as evidence of the exclusive rights of the Franchisor to such telephone numbers and directory listings and this Agreement will constitute the authority from the Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to the Franchisor. The Franchisee will not make any Claims or commence any action against the telephone company and the listing agencies for complying with this provision.

ARTICLE 20
FRANCHISEE'S COVENANTS NOT TO COMPETE

20.1 Consideration

The Franchisee, the Franchisee's Owners and the Personal Guarantors acknowledge that, pursuant to this Agreement, the Franchisee, its partners or officers and its employees will receive specialized training and Confidential Information from the Franchisor pertaining to the Business System and the operation of the Franchised Business. In consideration for the receipt of training and the use and license of the Confidential Information, the Franchisee, the Franchisee's Owners and the Personal Guarantors will comply in all respects with the provisions of this Article.

20.2 In-Term Covenant Not to Compete

The Franchisor has advised the Franchisee that this provision is a material provision of this Agreement, and that the Franchisor will not sell a Garage Force® franchise to any person or Entity that does or intends to own, operate or be involved in a Competing Business. Consequently, the Franchisee, the Franchisee's Owners and the Personal Guarantors will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director, or owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or Entity engaged in any Competing Business, except with the prior written consent of the Franchisor.

20.3 Post-Term Covenant Not to Compete

The Franchisee, the Franchisee's Owners and the Personal Guarantors will not, for a period of 18 months after the termination or expiration of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in any Competing Business which is located in, or within 50 miles of, the Franchised Territory, the territory of any other Garage Force® businesses operated by the Franchisor, an Affiliate of the Franchisor, or any franchisees of the Franchisor, or any protected area granted to any other person or Entity by the Franchisor pursuant to a development agreement, subfranchise agreement or other agreement. The Franchisee, the Franchisee's Owners and the

Personal Guarantors expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect the Franchisor and the Franchisor's franchisees if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to permit the Franchisor the opportunity to resell and/or develop a new Franchised Business at or in the area near the Franchised Territory. The Franchisee, the Franchisee's Owners, and Personal Guarantors acknowledge and agree that the length of time in this Section 20.3 shall be tolled for any period in which any such party is in breach of these covenants or any other period during which the Franchisor seeks to enforce this Agreement.

20.4 Injunctive Relief

The Franchisee, the Franchisee's Owners and the Personal Guarantors agree that the provisions of this Article are necessary to protect the legitimate business interests of the Franchisor and the Franchisor's franchisees including, without limitation, prevention of the unauthorized dissemination of Confidential Information to competitors of the Franchisor and the Franchisor's franchisees, protection of the Franchisor's trade secrets and the integrity of the Franchisor's franchise system, and prevention of the duplication of the Business System by unauthorized third parties. The Franchisee, the Franchisee's Owners and the Personal Guarantors also agree that damages alone cannot adequately compensate the Franchisor if there is a violation of this Article by the Franchisee, the Franchisee's Owners or the Personal Guarantors, and that injunctive relief against the Franchisee, the Franchisee's Owners and the Personal Guarantors is essential for the protection of the Franchisor and the Franchisor's franchisees. The Franchisee, the Franchisee's Owners and the Personal Guarantors agree therefore, that if the Franchisor alleges that the Franchisee, the Franchisee's Owners or the Personal Guarantors have breached or violated this Article, then the Franchisor will have the right to petition a court of competent jurisdiction for injunctive relief against the Franchisee, the Franchisee's Owners and the Personal Guarantors, in addition to all other remedies that may be available to the Franchisor. The Franchisor will not be required to post a bond or other security for any injunctive proceeding. In cases where the Franchisor is granted ex parte injunctive relief against the Franchisee, the Franchisee's Owners or the Personal Guarantors, then the Franchisee, the Franchisee's Owners or the Personal Guarantors will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

ARTICLE 21
INDEPENDENT CONTRACTORS

The Franchisor and the Franchisee are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between the Franchisor and the Franchisee. The Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of the Franchisor or represent that their relationship is other than that of franchisor and franchisee. Neither the Franchisor nor the Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties. The Franchisee will take all reasonable steps necessary to inform the public, customers, suppliers, lenders and other business establishments that the Franchised Business is independently owned and operated by the Franchisee pursuant to a Franchise from the Franchisor.

ARTICLE 22
INDEMNIFICATION

22.1 Indemnification

The Franchisor and its current and former Affiliates and their respective employees, executives, shareholders, members, Owners, attorneys, accountants and agents (individually and collectively, the "Indemnified Parties") will not be obligated to any person or Entity for any Claims and Damages arising out of, from, in connection with, or as a result of this Agreement, the relationship between the parties, or the Franchisee's Business. Except as provided for in Article 3.5, the Franchisee will indemnify and hold harmless the Indemnified Parties against, and will reimburse the Indemnified Parties for, all Damages that the Indemnified Parties incur in the defense of or as a result of any Claim brought against the Indemnified Parties arising from, in connection with, arising out of, or as a result of this Agreement, the relationship between the parties, or the Franchisee's Business. Any of the Indemnified Parties will have the right to defend any Claim made against it arising from, as a result of, in connection with this Agreement, the relationship between the parties, or the Franchisee's Business.

22.2 Attorneys' Fees and Other Costs

The Franchisee will pay all Costs and Expenses incurred by the Franchisor in enforcing any term, condition or provision of this Agreement or in seeking to enjoin any violation of this Agreement by the Franchisee. In any action brought pursuant to this Agreement where the Franchisor prevails against the Franchisee, the Franchisee will indemnify the Franchisor for all Costs and Expenses that it incurs in any lawsuit or proceeding arising under this Agreement.

22.3 Continuation of Obligations

The indemnification and other obligations contained herein will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 23
DISCLAIMERS; ACKNOWLEDGMENTS

23.1 Other Franchisees

The Franchisee acknowledges that other franchisees of the Franchisor have or will be granted franchises at different times different locations, under different economics and in different situations, and further acknowledges that the economics and terms and conditions of such franchises may vary substantially in form and in substance from those contained in this Agreement.

23.2 Representations of Entity Franchisee

If the Franchisee is an Entity, the Owners represent and warrant that: (a) the Franchisee is duly organized, validly existing and in good standing under the laws of the state of its organization; (b) the Franchisee is qualified to do business in the state in which the Franchised Business is located; (c) the Franchisee has delivered to the Franchisor a copy of its corporate charter or certificate of organization and current good standing certificates from all states in which the Franchisee is incorporated, organized or qualified to do business; and (d) the Ownership Interests of the Franchisee are accurately stated in the connection with the signatures of the Owners appearing below.

ARTICLE 24
FRANCHISEE'S LEGAL COUNSEL

Franchisor strongly recommends that the Franchisee should retain an attorney or other advisor to review the Franchisor's Franchise Disclosure Document and this Agreement and to advise the Franchisee as to the terms, conditions and obligations of this Agreement

ARTICLE 25
ENFORCEMENT

25.1 Injunctive Relief

Notwithstanding the provisions of Article 26 of this Agreement, the Franchisor will have the right to petition a court of competent jurisdiction for the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (a) the Franchisor's Marks and the Business System; (b) the obligations of the Franchisee upon termination or expiration of this Agreement; (c) the Transfer of this Agreement, the Franchisee's Business or the Ownership Interests of the Franchisee; (d) Confidential Information and covenants not to compete; and (e) any act or omission by the Franchisee or the Franchisee's employees that, (1) constitutes a violation of any applicable law, ordinance or regulation, (2) is dishonest or misleading to the clients or customers of the Franchisee's Business or other franchised businesses, (3) constitutes a danger to the employees, public, clients or customers of the Franchisee's Business, or (4) may impair the goodwill associated with the Franchisor's Marks and the Business System. The Franchisor will be entitled to injunctive relief against the Franchisee without posting a bond or other security. The Franchisee will indemnify the Franchisor for all Costs and Expenses that it incurs in any lawsuit or proceedings under this provision in accordance with Article 22.2.

25.2 Waiver

The Franchisor and the Franchisee may, by written instrument signed by the Franchisor and the Franchisee, waive any obligation of or restriction upon the other under this Agreement. Acceptance by the Franchisor of any payment by the Franchisee and the failure, refusal or neglect of the Franchisor to exercise any right under this Agreement or to insist upon full compliance by the Franchisee of its obligations hereunder including, without limitation, any mandatory specification, standard or operating procedure, will not constitute a waiver by the Franchisor of any provision of this Agreement.

25.3 Payments to Franchisor

The Franchisee's payment obligations under this Agreement are absolute and unconditional. The Franchisee will not for any reason withhold payment of any Continuing Fees or any other fees or payments due the Franchisor pursuant to this Agreement or pursuant to any other contract, agreement or obligation to the Franchisor. The Franchisee will not have the right to "offset" any liquidated or unliquidated amounts, damages or other funds allegedly due to the Franchisee by the Franchisor against any Continuing Fees or any other fees or payments due to the Franchisor under this Agreement or under any other agreement or contract.

25.4 Effect of Wrongful Termination

In the event that the Franchisor or the Franchisee takes any action to terminate this Agreement and/or to convert the Franchised Business to another business without first complying with the terms and conditions (including the written notice and opportunity to cure provisions) of Article 17 or Article 18 of this Agreement, as applicable, then such action will not relieve the Franchisee, its Owners, or Personal Guarantors of, or release any such person from, any obligations under this Agreement, and the terms and conditions of this Agreement will remain in full force and effect until such time as this Agreement expires or is terminated in accordance with the provisions of this Agreement and applicable law.

25.5 Cumulative Rights

The rights of the Franchisor hereunder are cumulative and no exercise or enforcement by the Franchisor of any right or remedy hereunder will preclude the exercise or enforcement by the Franchisor of any other right or remedy hereunder or which the Franchisor is entitled by law to enforce.

25.6 Venue and Jurisdiction

Unless provided by this Agreement or applicable law to the contrary, all claims not subject to arbitration that are initiated by either party against the other party will be venued exclusively in a state or federal court located in the Western District of Wisconsin. The Franchisee acknowledges that the Franchisee and its Owners, officers, directors and employees have had substantial business and personal contacts with the Franchisor in the State of Wisconsin. Consequently, the Franchisor, the Franchisee, and each of their officers, directors and Owners, and the Personal Guarantors do hereby agree and submit to personal jurisdiction in the State of Wisconsin for the purposes of any suit, proceeding or arbitration hearing brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy.

25.7 Binding Agreement

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

25.8 No Oral Modification

No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement signed by duly authorized officers or partners of the Franchisee and the President or a Vice President of the Franchisor. The Franchisee and the Franchisor will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

25.9 Entire Agreement

This Agreement supersedes and terminates all prior agreements, either oral or in writing, between the parties involving the franchise relationship and therefore, representations, inducements, promises or agreements alleged by either the Franchisor or the Franchisee that are not contained in this Agreement will not be enforceable. The recitals are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between the Franchisor and the Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, any representations contained in the Disclosure Document provided to the Franchisee by the Franchisor will be enforceable.

25.10 Joint and Several Liability

If the Franchisee consists of more than one individual, then the liability of all such individuals under this Agreement will be deemed to be joint and several.

25.11 Headings; Terms

The headings of the Articles are for convenience only and do not in any way define, limit or construe the contents of such Articles. The term “Franchisee” as used herein is applicable to one or more individuals, a corporation or a partnership, as the case may be, and the singular usage includes the plural, the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to “Franchisee,” “assignee” and “transferee” which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of the Franchisee or any such assignee or transferee if the Franchisee or such assignee or transferee is a corporation or partnership. If the Franchisee consists of more than one individual, then all individuals will be bound jointly and severally by the terms and conditions of this Agreement.

25.12 Franchisor’s Reasonable Business Judgment

Whenever the Franchisor reserves discretion in a particular area or where the Franchisor agrees or is required to exercise its rights reasonably or in good faith, the Franchisor will satisfy its obligations whenever it exercises “reasonable business judgment” in making its decision or exercising its rights. A decision or action by the Franchisor will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if its decision or action is intended to promote or benefit the Business System generally even if the decision or action also promotes a financial or other individual interest of the Franchisor. Examples of items that will promote or benefit the Business System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Business System. Neither the Franchisee nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

ARTICLE 26
ARBITRATION

26.1 Disputes Subject to Arbitration

Except as expressly provided to the contrary in this Agreement, all disputes, including allegations of fraud, misrepresentation or violation of any state of federal laws or regulations, arising under, as a result of, or in connection with this Agreement and other agreement between the Franchisor (or an Affiliate) and the Franchisee, the Franchisee’s Business or the Personal Guaranty will be subject to arbitration in accordance with the Code of Procedure of the National Arbitration Forum (the “NAF”), Post Office Box 50191, Minneapolis, Minnesota 55405, 1-800-474-2371 (www.adrforum.com).

26.2 Notice of Dispute

The party alleging the dispute must provide the other party with written notice setting forth the alleged dispute in detail. The party who receives written notice alleging the dispute will have 30 days to resolve the dispute, unless the written notice alleges that the Franchisee is delinquent in the payment of any fees or other payments payable to the Franchisor, in which case the Franchisee will have 15 days to make full payment (including interest and Late Payment Fees as provided for herein) to the Franchisor.

26.3 Demand for Arbitration

If the dispute alleged by either party has not been resolved within the time period provided for in this Agreement, then either party may promptly demand arbitration as provided in this Section 26 (but, in any event, before the applicable statute of limitations would bar the institution of legal or equitable proceedings based upon the claim or dispute) by giving the other party written notice demanding arbitration. Within 10 days after a written demand for arbitration has been made by the party demanding arbitration, either party will have the right to request the office of the NAF in St. Paul, Minnesota to initiate the procedures necessary to appoint a three-arbitrator panel in accordance with the Code of Procedure of the NAF. The Arbitrators will be appointed as provided for herein within 60 days after a written demand for arbitration has been made in accordance with the Code of Procedure of the NAF.

26.4 Venue and Jurisdiction

All arbitration hearings will take place exclusively in Onalaska, Wisconsin, and will be scheduled by the Arbitrators within 90 days after the Arbitrators have been selected. The Franchisee acknowledges that the Franchisee and its Owners, officers, directors and employees have had substantial business and personal contacts with the Franchisor in the State of Wisconsin. Consequently, the Franchisor, the Franchisee and the Franchisee's officers, directors, Owners and Personal Guarantors do hereby agree and submit to personal jurisdiction in the State of Wisconsin in connection with any arbitration hearings hereunder and any suits brought to enforce the decision of the Arbitrators, and do hereby waive any rights to contest venue and jurisdiction in the State of Wisconsin and any claims that venue and jurisdiction are invalid. The parties acknowledge and agree that this Article will survive the termination or expiration of this Agreement.

26.5 Powers of Arbitrators

The authority of the Arbitrators will be limited to making a finding, judgment, decision and award relating to the interpretation of or adherence to the written provisions of this Agreement. The Arbitrators will have no authority to add to, delete or modify the terms and provisions of this Agreement. All findings, judgments, decisions and awards of the Arbitrators will be limited to the dispute set forth in the written demand for arbitration, and the Arbitrators will have no authority to decide any other issues. The Arbitrators will not have the right or authority to award punitive damages to the Franchisor, the Franchisee or the Franchisee's officers, directors, Owners or Personal Guarantors except as permitted in Section 17.7. All findings, judgments, decisions and awards by the Arbitrators will be in writing, will be made within 30 days after the arbitration hearings have been completed, and will be final and binding on the Franchisor, the Franchisee, the Franchisee's officers, directors, Owners and Personal Guarantors. The written decision of the Arbitrators will be deemed to be an order, judgment and decree and may be entered as such in any court of competent jurisdiction by either party.

26.6 Disputes Not Subject to Arbitration

In addition to those disputes described in Section 25.1, the following disputes between the Franchisor and the Franchisee will not be subject to arbitration: (a) any dispute involving the Marks or which arises under or as a result of Article 3 of this Agreement; (b) any dispute involving immediate termination of this Agreement by the Franchisor pursuant to Article 17.4 and Article 17.5 of this Agreement; (c) any dispute involving enforcement of the confidentiality provisions of this Agreement; and (d) any dispute involving enforcement of the covenants not to compete contained in Article 20 of this Agreement.

26.7 No Collateral Estoppel or Class Actions

All arbitration findings and awards expressly made by the Arbitrators will be final and binding on the Franchisor, the Franchisee and the Franchisee's officers, directors, Owners and Personal Guarantors; however, such arbitration findings and awards may not be used: (1) to collaterally estop either party from raising any like or similar issue in any other or subsequent arbitration, litigation, court hearing or other proceeding involving third parties or other franchisees, or (2) by any third party or other franchisee to establish any fact, action, finding, violation, or otherwise used by any third party or other franchisee as evidence, in any arbitration, litigation, court hearing or other proceeding involving the Franchisor or the Franchisee. In any arbitration between them, neither the Franchisor nor the Franchisee may introduce as evidence, or otherwise use to establish any fact, action, finding or violation, any findings, conclusions, orders or awards resulting from any prior arbitration, litigation, court hearing or other proceeding involving the Franchisee and a third party or the Franchisor and a third party or other franchisee. No party except the Franchisor, the Franchisee, and the Franchisee's officers, directors, Owners and Personal Guarantors will have the right to join in any demand for arbitration and, therefore, the Arbitrators will not be authorized to permit class, common, or consolidated actions or to permit any other party to be impleaded in any arbitration. The Franchisee hereby agrees not to seek joinder of any claims with those of any other party. The Franchisee and the Franchisor agree that neither party will be entitled to allege punitive, exemplary, consequential, or other special damages, except as set forth in Section 17.7. Thus, except as provided in Section 17.7, the Arbitrators will not have the right to award punitive, exemplary, consequential, or other special damages to either party and both parties expressly waive their rights to allege or claim punitive damages.

26.8 Costs and Expenses

Except as provided to the contrary in Article 5.6 and Article 22.2, each party will pay the Costs and Expenses incurred by it in the arbitration proceeding. The Franchisor and the Franchisee will each pay one-half of the Arbitrator's fee.

26.9 Confidentiality

All evidence, testimony, records, documents, findings, decisions, judgments and awards pertaining to any arbitration hearing between the Franchisor and the Franchisee will be secret and confidential in all respects. The Franchisor and the Franchisee will not disclose the decision or award of the Arbitrators and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or Entity except as required by law.

26.10 Performance During Arbitration of Disputes

The Franchisor and the Franchisee will perform their respective obligations pursuant to this Agreement during arbitration of any dispute.

26.11 Federal Arbitration Act

This Agreement and any issue regarding arbitration arising under this Agreement will be governed by the Federal Arbitration Act and the federal common law of arbitration.

ARTICLE 27
GOVERNING LAW; STATE MODIFICATIONS; SEVERABILITY

27.1 Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) and as set forth in Article 26.11 above, this Agreement and the relationship between the Franchisor and the Franchisee will be governed by the laws of the state in which the Franchised Territory is located; provided however, if the Franchised Territory includes more than one state, then this Agreement and the relationship between the Franchisor and the Franchisee will be governed by the laws of the state in which the Franchisee's principal place of business is located. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by the Franchisee and the Franchisor.

27.2 State Modifications

If the Franchised Territory is located in any one of the states indicated below in this Article 27.2, or if the laws of any such state are otherwise applicable due to the domicile of the Franchisee or for any other reason, then the designated provisions of this Agreement will be amended and revised as follows:

(a) California. To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the following terms apply. 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:

(1) The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive

compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

(2) California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

(3) The Franchise Agreement requires binding arbitration. The arbitration will occur in Texas with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with 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.

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

(5) No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

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

(a) <u>Illinois.</u> See attached addendum.

(b) <u>Maryland.</u> This Agreement is governed by the laws of the State of Maryland and the following amendments are hereby made to this Agreement if the Franchisee is a Maryland resident, if the Business is to be operated in Maryland, or if the laws of the State of Maryland are otherwise applicable to this Agreement:

(1) Article 16.4(f) of this Agreement is hereby amended to provide that the general release required as a condition to the renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (the "Maryland Law");

(2) This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is 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;

(3) This Agreement is hereby amended to provide that any Claims arising under the Maryland Law must be brought within three years after the grant of the Franchise; and

(4) This Agreement is hereby amended to provide that all representations requiring the Franchisee 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 Law.

(5) This Agreement is hereby amended to provide that 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 is pre-opening obligations under the franchise agreement.

(6) 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.

(c) <u>Minnesota.</u> If this Agreement is governed by the laws of the State of Minnesota, then: (1) 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 (A) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (B) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; (2) 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) (A) 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 (B) that consent to the transfer of the franchise will not be unreasonably withheld; (3) 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; (4) 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); (5) Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release; (6) The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J; (7) The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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.

(d) <u>New York.</u> If this Agreement is governed by the laws of the State of New York, then Article 7.3 will be amended to provide that modifications to the Operations Manual by the Franchisor will not unreasonably increase the Franchisee's obligations or place an excessive economic burden on the Franchisee's operations.

(e) <u>North Dakota.</u> If this Agreement is governed by the laws of the State of North Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement contained in Article 20.3 may be unenforceable, except in certain circumstances provided by law; (2) Article 22.2 is amended to provide that the prevailing party in any enforcement action will be entitled to recover its Costs and Expenses; (3) the consent by the Franchisee to jurisdiction and venue in La Crosse County, Wisconsin contained in Article 25.6 may be inapplicable; provided, however, that such inapplicability in the State of North Dakota will not be construed to mean that venue in La Crosse County, Wisconsin is improper, or that the Franchisee, its officers, directors, Owners and Personal Guarantors are not subject to jurisdiction in North Dakota or in any other state; (4) the provisions of Article 26.4 requiring arbitration hearings to take place in Onalaska, Wisconsin will be inapplicable, and in the event of arbitration between the Franchisor and the Franchisee, such arbitration will be conducted in Fargo, North Dakota, or at a mutually agreed upon location; (5) any provisions of this Agreement which limit the statute of limitations period for Claims under the North Dakota Franchise Investment Law (the "North Dakota

Law") or the parties' rights or remedies under the North Dakota Law, such as the right to recover exemplary or punitive damages or to a jury trial, will not be enforceable; and (6) any provisions of this Agreement which require the Franchisee to consent to termination damages or liquidated damages will not be enforceable under the North Dakota law.

(f) Rhode Island. If this Agreement is governed by the laws of the State of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

(g) South Dakota. If this Agreement is governed by the laws of the State of South Dakota, then: (1) Article 17.2 of this Agreement will be amended to provide that if the Franchisee breaches the provisions of this Agreement including the failure to meet performance or quality standards or to pay any fees or other payments payable to the Franchisor pursuant to this Agreement, the Franchisor will provide the Franchisee with at least 30 days written notice and an opportunity to cure prior to the termination of this Agreement by the Franchisor; (2) the covenant not to compete upon termination or expiration of this Agreement contained in Article 20.3 of this Agreement may be unenforceable, except in certain circumstances provided by law; (3) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires the Franchisee to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; (4) any acknowledgment provision, disclaimer, integration clause or provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B; (5) the provisions of this Agreement requiring that arbitration hearings take place in Onalaska, Wisconsin will be inapplicable, and in the event of arbitration between the Franchisor and the Franchisee, such arbitration will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location; (6) the provisions of this Agreement which require that actions be commenced within one year and that limit the parties' rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law; and (7) payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(i) Washington. To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply. (1) In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. (2) 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. (3) 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. (4) 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. (5) Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. (6) 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. (7) 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.

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.

(j) Wisconsin. If this Agreement is governed by the laws of the State of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

27.3 Severability

It is the desire and intent of the parties to this Agreement, including the Franchisee's Owners and the Personal Guarantors, that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by the Franchisor is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. If any provision of this Agreement is adjudicated to be invalid or unenforceable, then such provision will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable. Such modification or deletion will apply only with respect to the operation of such provision in the particular jurisdiction in which the adjudication is made. Further, to the extent any provision of this Agreement is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including the Franchisee's Owners and the Personal Guarantors, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the applicable laws and public policies applied in such jurisdiction where enforcement is sought.

ARTICLE 28
NOTICES

All notices to the Franchisor will be in writing and will be addressed to the Chief Executive Officer of the Franchisor at Ilfrich Integrated Solutions, Inc., Attn: Chief Executive Officer, 700 Stonebridge Avenue, Onalaska, WI 54650, or such other address as the Franchisor may subsequently designate in writing, and to Ryan R. Palmer, Esq., Lathrop GPM LLP, 500 IDS Center, 80 South 8th Street, Minneapolis, MN 55402. Except as otherwise provided by applicable law, all notices under this Agreement will be in writing and delivered to the addressee by any of the following means: (a) by personal service, (b) by prepaid certified U. S. mail, (c) by facsimile, email or other electronic transmission, or (d) by a recognized overnight delivery service (such as Federal Express, United States Express Mail, Airborne Express or UPS) which requires a written receipt or acknowledgement of delivery. All notices to the Franchisee will be sent to the address for the Franchisee set forth on the cover page of this Agreement, or such other address as the Franchisee may subsequently designate in writing. For the purposes of this Agreement, written notice will be deemed received by the addressee (i) on the day received, if it is sent by personal service, U.S. certified mail or by a recognized overnight delivery service, (ii) on the date of transmission, if it is sent by facsimile and the transmission has been confirmed by the sender, or (iii) on the date of transmission, if sent by email or other electronic transmission and the sender does not receive a notice of non-delivery.

ARTICLE 29
DEFINITIONS

For purposes of this Agreement, the following words will have the following definitions:

29.1 Abandon

"Abandon" will mean conduct of the Franchisee, including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue operating the Franchisee's Business in accordance with the quality standards, uniformity requirements and the Business System as set forth in this Agreement and the Operations Manual.

29.2 Affiliate

"Affiliate" will mean any Entity that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership with or controlled by the Franchisor.

29.3 Approved Suppliers

"Approved Suppliers" will mean the suppliers and distributors that have been approved in writing by the Franchisor to offer and sell the Products and Services specified in the Operations Manual or otherwise in writing by the Franchisor. The Franchisor or an Affiliate of the Franchisor may be an Approved Supplier or the only Approved Supplier for any or all Products or Services.

29.4 Business System

"Business System" will mean the Franchisor's business concept and methods for operating businesses of a distinctive character and quality that provide the Products and Services. "Business System" will include all of the uniformity requirements, standards of quality, procedures, specifications and instructions established and amended from time to time by the Franchisor.

29.5 Business Assets

"Business Assets" will mean: (a) FF&E, Signs, trailers, supplies, inventory, equipment leases, contracts, and all other assets owned by the Franchisee and used in connection with the Franchised Business; (b) all assets listed on the Franchisee's Financial Statements and tax returns; (c) this Agreement; (d) any Ownership Interest in the Franchisee; and (e) all other interest in the Franchisee or the Franchised Business.

29.6 Claims

"Claims" will mean any and all demands, complaints, filings, allegations, assertions, requests for payment or compensation, challenges, allegations of liability, causes of action, mediation, arbitration and/or lawsuits.

29.7 Competing Business

"Competing Business" will mean any business that offers Products or Services that are the same as or similar to those Products and Services offered by the Franchised Business, or which is otherwise competitive with or similar to the Franchised Business.

29.8 Computer Equipment

"Computer Equipment" will mean the computer hardware and peripherals used in the operation of the Business, including printers, monitors, modems, and networking equipment, and other computer systems and electronic devices specified in the Operations Manual or otherwise in writing by the Franchisor.

29.9 Computer Software

"Computer Software" will include the computer software and operating system approved and specified in this Agreement, the Operations Manual, or otherwise in writing by the Franchisor for use in the operation of the Franchised Business.

29.10 Confidential Information

"Confidential Information" will mean all of the Franchisor's proprietary information, knowledge and know-how concerning the Business System and the procedures, operations and data used in connection with the Business System and the operation of franchised businesses including, without limitation, business plans and strategies, marketing and advertising plans, drawings, client lists, materials, brochures, marketing materials, technology, methods, procedures, specifications, techniques, teaching methods, computer software programs, systems and other business information which the Franchisor copyrights or designates as trade secret, confidential or proprietary.

29.11 Costs and Expenses

"Costs and Expenses" will mean all attorneys' fees, deposition costs, expert witness fees, court costs, investigation costs, accounting fees, filing fees and Travel Expenses (and interest on such fees, costs and expenses).

29.12 Damages

"Damages" will mean all losses, damages, judgments, liabilities, fines, penalties, assessments, and all related expenses, and will include, without limitation: (a) damages to real and personal property and damages for loss of use of real and personal property; (b) damages for lost profits; (c) special, consequential, exemplary and punitive damages; (d) personal injury damages; (e) damages resulting from the death of a person or persons, including wrongful death damages; (f) Costs and Expenses and all other expenses incurred in defending any Claims; (g) Salaries, Travel Expenses and all related expenses incurred in defending any Claims; (h) amounts paid in settlement of any disputed Claims; (i) product liability damages; (j) amounts paid pursuant to any court judgment or court decree, resulting from any civil or criminal claims, demands, allegations, lawsuits, litigation, arbitration proceedings, administrative actions or other legal proceedings; (k) damages assessed under any federal, state or local statutes, rules, regulations or ordinances; and (l) all other amounts paid or incurred as a result of any Claims.

29.13 Designated Supplier

"Designated Supplier" will mean the only and exclusive supplier or distributor that is authorized by the Franchisor to sell certain Products and Services specified in the Operations Manual or otherwise in writing by the Franchisor. The Franchisor or an Affiliate of the Franchisor may be a Designated Supplier for any or all Products and Services.

29.14 Dollars

"Dollars" will mean United States of America dollars.

29.15 Entity

"Entity" will mean any corporation, limited liability company, general partnership, limited partnership limited liability partnership, or other legal entity formed in compliance with applicable law.

29.16 Fee Payment Date

"Fee Payment Date" will mean either the 10th day of the Month for the preceding Month or Friday of each Week for the preceding Week, as determined by the Franchisor.

29.17 Fee Payment Period

"Fee Payment Period" will mean either Monthly or Weekly, in the sole discretion of the Franchisor.

29.18 FF&E

"FF&E" will mean the furniture, fixtures, trailers, vehicles and equipment, including mechanical equipment, Computer Equipment and Computer Software, specified in the Operations Manual or otherwise in writing by the Franchisor for use in the operations of the Franchised Business.

29.19 Financial Records

"Financial Records" will mean the computerized and hand prepared records and ledgers, sales ledgers, work papers, books, bank statements, federal and state income tax returns, federal and state sales tax returns, and other financial information for the Franchisee's Business.

29.20 Financial Statements

"Financial Statements" will mean a balance sheet, profit and loss statement, statement of cash flows and footnotes prepared in accordance with generally accepted accounting principles applied on a consistent basis. The Franchisee's Financial Statements will be presented in the exact form and format prescribed by the Franchisor, and will be categorized according to the standard chart of accounts developed and approved by the Franchisor.

29.21 Franchise

"Franchise" will mean the right granted to the Franchisee authorizing the Franchisee to operate a Franchised Business in conformity with the Business System using the name "Garage Force®" and the other Marks.

29.22 General Manager

"General Manager" will mean the individual responsible for the overall management of the Franchisee's Business including, but not limited to, administration, customer relations, basic operations, marketing, community relations, recordkeeping, employee staffing and training, inventory control, hiring and firing, and maintenance of the FF&E.

29.23 Gross Revenues

"Gross Revenues" will mean the total dollar income received by the Franchisee from all cash or credit sales to customers or clients of the Franchisee's Business for all Products and Services provided under the Business System, regardless of whether such Products or Services are provided to customers or clients by the Franchisee, its employees or independent contractors hired by the Franchisee. "Gross Revenues" will not include any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales, if: (a) the amount of the tax is added to the selling price and is expressly charged to the customer; (b) a specific record is made at the time of each sale of the amount of such tax; and (c) the amount of such tax is paid to the appropriate taxing authority by the Franchisee.

29.24 Marks

"Marks" will include the name "Garage Force®" and such other trademarks, trade names, service marks, logos, slogans and commercial symbols as the Franchisor has or may develop for use in connection with the franchised businesses operated in conformity with the Business System and the Franchisor's uniformity requirements and quality standards.

29.25 Month; Monthly

"Month" will mean a calendar month. "Monthly" will mean once per Month.

29.26 Operations Manual

"Operations Manual" will mean the confidential and copyrighted standard operations, procedures and training manual(s) developed by the Franchisor that contains mandatory and suggested specifications, standards and procedures for the operation of Garage Force® businesses, as supplemented, changed or modified from time to time by the Franchisor.

29.27 Owner; Ownership Interests

"Owner" will mean any individual or Entity who owns shares of capital stock in the Franchisee, if the Franchisee is a corporation, or who owns a membership or partnership interest in the Franchisee, if the Franchisee is a limited liability company or a partnership. "Ownership Interests" will mean shares of capital stock in the Franchisee, if the Franchisee is a corporation, or a membership or partnership interest in the Franchisee, if the Franchisee is a limited liability company or a partnership.

29.28 Personal Guarantors
"Personal Guarantors" will mean the individuals who sign the Personal Guaranty attached to this Agreement.

29.29 Training Expenses
"Training Expenses" will mean the Salaries, payroll taxes, unemployment compensation, workers' compensation insurance, medical insurance, Travel Expenses, and all other expenses for the Franchisee and all other persons who attend the Franchisor's training programs on behalf of the Franchisee.

29.30 Products and Services
"Products and Services" will mean all of the products, goods, supplies, items, merchandise and/or services specified in the Operations Manual or otherwise in writing by the Franchisor that have been approved by the Franchisor for use or sale by Garage Force® businesses under the Marks and the Business System.

29.31 Salary or Salaries
"Salary" or "Salaries" will mean wages or hourly rate of pay, fringe benefits, federal and state withholding taxes and Social Security taxes.

29.32 Signs
"Signs" will mean the interior and exterior signs used to advertise or identify the Franchised Business in customers' yards and on the trailers used in the Franchised Business.

29.33 Transfer or Transferred
"Transfer" or "Transferred" will mean to sell, assign, trade, transfer, lease, sublease or otherwise dispose of.

29.34 Travel Expenses
"Travel Expenses" will include all transportation, lodging, food, entertainment, automobile rental, and related expenses and costs.

29.35 Week; Weekly
"Week" will mean seven consecutive days beginning on Sunday and ending on Saturday. "Weekly" will mean once per Week.

IN WITNESS WHEREOF**,** the Franchisor, the Franchisee and the Franchisee's Owners have respectively signed this Agreement effective as of the day and year first above written.

[signatures on next page]

“Franchisor”

In the Presence of: **Ilfrich Integrated Solutions, Inc.**

___________________________________ By____
Its____

In the Presence of: **“Franchisee”**

____

___________________________________ By____
Its____

___________________________________ By____
Its____

Each of the undersigned Owners of the Franchisee hereby confirms that the Ownership Interests set forth below for each Owner are true and correct and, as a condition to the Franchisor agreeing to enter into this Agreement with the Franchisee, each Owner agrees to execute and be bound by the terms and conditions of the Personal Guaranty attached to this Agreement.

In the Presence of:	Names of Owners:	Percentage of Ownership:
______________________ Signature	______________________ Signature	__________%
______________________ Print Name	______________________ Print Name	
______________________ Signature	______________________ Signature	__________%
______________________ Print Name	______________________ Print Name	
______________________ Signature	______________________ Signature	__________%
______________________ Print Name	______________________ Print Name	
______________________ Signature	______________________ Signature	__________%
______________________ Print Name	______________________ Print Name	__________%
	Total	100%

Illinois Addendum to the Franchise Agreement

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 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:

Illinois law governs the Franchise Agreement.

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

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

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

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial 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.

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.

	"Franchisor"
In the Presence of:	**Ilfrich Integrated Solutions, Inc.**
______________________	By______________________
	Its______________________
In the Presence of:	**"Franchisee"**
	______________________
______________________	By______________________
	Its______________________
______________________	By______________________
	Its______________________

Washington Addendum to the Franchise Agreement, Questionnaire, 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.

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.

The collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business

	"Franchisor"
In the Presence of:	**Ilfrich Integrated Solutions, Inc.**
______________________________	By______________________________ Its______________________________
In the Presence of:	**"Franchisee"**
	______________________________
______________________________	By______________________________ Its______________________________
______________________________	By______________________________ Its______________________________

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "Personal Guaranty") is made and entered into this ______ day of ________________, 20___, by and between Ilfrich Integrated Solutions, Inc., a Wisconsin corporation (the "Franchisor"), and the undersigned personal guarantors (the "Personal Guarantors").

WHEREAS, the Franchisor and ____ (the "Franchisee") have entered into a Franchise Agreement, dated the same date as set forth above, for the operation of a Franchised Business in the Franchised Territory identified in Article 1.1 (the "Franchise Agreement").

WHEREAS, it is the desire of the undersigned Personal Guarantors to personally guaranty the obligations of the Franchisee under the Franchise Agreement, which is incorporated herein by reference, and to be individually, jointly and severally bound by the terms and conditions of the Franchise Agreement.

NOW, THEREFORE, in consideration of the execution of the Franchise Agreement by the Franchisor, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, including the covenants not to compete, to be paid, kept and performed by the Franchisee.

Obligations under Agreement. The undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including the covenants not to compete, and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement. The undersigned acknowledge receiving a copy of the Franchise Agreement.

Default of Franchisee. If any default should at any time be made therein by the Franchisee, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to the Franchisor the Initial Fee, payments for the Initial Equipment Package, the Continuing Fees, the Branding Fees and all other fees and payments due and payable to the Franchisor under the terms and conditions of the Franchise Agreement.

Non-Compliance by Franchisee. If the Franchisee fails to comply with any other terms and conditions of the Franchise Agreement, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of the Franchisee.

Obligations Payable to Franchisor. If the Franchisee is at any time in default on any obligation to pay monies due to the Franchisor or any Affiliate of the Franchisor, whether for the Initial Fee, payments for the Initial Equipment Package, the Continuing Fees, the Branding Fees, other fees and payments, merchandise, products, supplies, Signs, FF&E, or other products purchased by the Franchisee or for any other indebtedness of the Franchisee to the Franchisor or any Affiliate of the Franchisor, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from the Franchisee to the Franchisor or any Affiliate of the Franchisor upon default by the Franchisee.

Binding Agreement. The provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of the Franchisor.

Jurisdiction and Venue. Except as precluded by applicable law, all arbitration hearings, litigation, actions or proceedings pertaining to this Personal Guaranty will be brought and venued in accordance with the applicable Articles of the Franchise Agreement.

The parties further acknowledge and agree that, among provisions, Article 25 (Enforcement), Article 26 (Arbitration), and Article 27 (Governing Law) apply to Personal Guarantors and this Personal Guaranty.

PERSONAL GUARANTORS

Signed by:______________________, Individually	Signed by:______________________, Individually
Address	Address
City, State and Zip Code	City, State and Zip Code
Area Code and Telephone	Area Code and Telephone
Signed by:______________________, Individually	Signed by:______________________, Individually
Address	Address
City, State and Zip Code	City, State and Zip Code
Area Code and Telephone	Area Code and Telephone
Signed by:______________________, Individually	Signed by:______________________, Individually
Address	Address
City, State and Zip Code	City, State and Zip Code
Area Code and Telephone	Area Code and Telephone

TELEPHONE LISTING AGREEMENT

THIS AGREEMENT is made and entered into this _______ day of _____________, 20_____, by and between Ilfrich Integrated Solutions, Inc. (the "Franchisor"), and ____ _________________________________ (the "Franchisee").

WHEREAS, the Franchisor is the franchisor of Garage Force® businesses and the licensor of the name "Garage Force®" and certain other trademarks, trade names, service marks, logos and commercial symbols (the "Marks"); and

WHEREAS, the Franchisor and the Franchisee have entered into a Franchise Agreement, dated the same date as this Agreement (the "Franchise Agreement") pursuant to which the Franchisee is granted the right to operate a franchised Garage Force® business (the "Garage Force Business" or the "Business") and to use the Marks in telephone directory listings for the Franchisee's Garage Force Business; and

WHEREAS, the Franchisee is authorized to continue using the Marks until such time as the Franchise Agreement is terminated or expires.

NOW, THEREFORE, the Franchisor and the Franchisee hereby agree as follows:

1. The Franchisee is authorized to obtain telephone service for the Franchisee's Garage Force Business. Such service will not be used in conjunction with any other business or residential telephone service.
2. The Franchisee is authorized and agrees to secure on-line white pages, Yellow Pages and directory assistance listings for the Franchisee's Garage Force Business only in the name of "Garage Force®." No other names may be used in conjunction with the Business and the Marks, and no additional listings may be used with the telephone number(s) assigned to the Business, unless approved in writing in advance by the Franchisor.
3. All telephone directory listings, Yellow Pages display advertising, layout, and copy will be approved in advance in writing by the Franchisor, and the Franchisee agrees that it will not place any such copy unless the written approval of the Franchisor is attached. Placement of display advertising by the Franchisor or its advertising agency for the Franchisee through a national Yellow Pages service will constitute automatic approval.
4. The Franchisee agrees that the telephone numbers and telephone directory listings for the Garage Force Business will be considered to be the sole property of the Franchisor. The Franchisee acknowledges that the Franchisor has the absolute right and interest in all of the telephone numbers and telephone directory listings associated with the Marks, and the Franchisee hereby authorizes the Franchisor to direct the telephone company and all listing agencies to transfer all of the Franchisee's telephone numbers and directory listings to the Franchisor or the Franchisor's assignee if the Franchise Agreement expires or is terminated for any reason whatsoever.
5. Upon the expiration or termination of the Franchise Agreement for any reason, the Franchisee agrees that it will immediately cease all use of such telephone numbers and telephone directory listings and that all such telephone numbers and telephone directory listings will remain the sole property of the Franchisor, subject to the Franchisor's obligation to pay all fees due therefore that become due and payable after the date of the cessation of the Franchisee's right to use the Marks and the telephone numbers and telephone directory listings associated with the Marks.
6. The Franchisee hereby releases and forever discharges the Franchisor and its successors or assigns and the telephone company from liability of any kind or character which results or may result directly or indirectly from the Franchisor's exercise of its rights hereunder or from the telephone company's cooperation with the Franchisor in effecting the terms of this Agreement.
7. The Franchisor will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of the Franchisee's right to use all telephone numbers and all classified and other directory listings under the "Garage Force®" name and to authorize the telephone company and all listing agencies to transfer to the Franchisor or its assignee all telephone numbers and directory listings of the Franchisee's Garage Force Business.

8. The telephone company and all listing agencies will have the right to accept this Agreement as evidence of the exclusive rights of the Franchisor to such telephone numbers and directory listings, and this Agreement will constitute the authority from the Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to the Franchisor. The Franchisee will not make any claims or commence any action against the telephone company and the listing agencies for complying with this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

	"Franchisor"
In the Presence of:	**Ilfrich Integrated Solutions, Inc.**
______________________	By______________________
	Its______________________
In the Presence of:	**"Franchisee"**
	______________________
______________________	By______________________
	Its______________________
______________________	By______________________
	Its______________________

AUTHORIZATION TO HONOR ELECTRONIC FUNDS TRANSFER

PAYEE	BANK NAME	ACCOUNT NO.	ABA NO.
______________________________	______________________	_________________	_______________

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

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

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

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

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

Name of Depository Bank (Franchisee's Bank): ____

Depository Bank Telephone Number: ____

Account Type: (check one)

☐ Consumer Checking ☐ Business Checking ☐ Consumer Savings ☐ Business Savings

Account Number: ___________________________________ Routing Number: ___________________________

Name of Franchisee (as listed on account): ____

(Please attached one voided check)

By: ____ _____________________________________

Signature of Franchisee's Authorized Representative Title

Date: __________________, 20___

CONFIDENTIALITY AGREEMENT

Effective this ____ day of ____________________, 20___, in consideration of his or her employment with ____ (the "Employer"), a franchisee of Ilfrich Integrated Solutions, Inc. (the "Franchisor"), it is hereby agreed that the undersigned (the "Employee") will, at all times during the term of his or her employment and thereafter, comply with the terms and conditions of this Agreement.

1. During such time as the Employee is an employee of or associated with the Employer, and for a period of one (1) year after the termination of the Employee's employment or association with the Employer (whether voluntary or involuntary, and for any reason), or the retirement of the Employee from employment or association with the Employer, the Employee:

a. will treat the Franchisor's Operations Manual and other operations or procedures manuals (the "Manuals"), and any of the Franchisor's other confidential materials (including, but not limited to, videotapes, films, drawings, diagrams and computer programs) created for or approved for use in the operation of the Garage Force® Business, and the information, knowledge, methods or techniques contained or described therein (collectively, the "Confidential Materials"), as secret and confidential and as the sole and absolute property of the Franchisor, and will use all reasonable means to keep them secret and confidential, including, without limitation, the following:

i. the Employee will not communicate, divulge or use for the benefit of himself/herself personally or any other person or entity, any information contained in the Manuals or Confidential Materials;

ii. the Employee will not copy, duplicate, videotape, photograph, record or otherwise reproduce the Manuals or Confidential Materials, in whole or in part;

iv. the Employee will not make the Manuals or any Confidential Materials available to any unauthorized person or entity, or allow any unauthorized person or entity access to the Manuals or any Confidential Materials; and

v. the Employee will not use the Manuals or any Confidential Materials for any purpose other than the performance of his or her duties as an employee of the Employer's Garage Force® Business.

2. The Employee further agrees that the one (1) year period described in this Agreement will be extended for a number of months equal to the number of months, if any, for which the Employer pays the Employee his or her monthly base compensation or other severance pay after the termination of the Employee's association with the Employer, and will also be extended beyond such one (1) year period for a period of time equal to the duration of any breach of this Agreement by the Employee.

4. The Employee and the Employer further acknowledge and agree:

a. that the Franchisor is a third-party beneficiary of the rights and obligations set forth in this Agreement;

b. that the Franchisor will suffer irreparable harm in the event of any breach or violation of this Agreement;

c. that the Franchisor will have the right to enforce the provisions of this Agreement in its own name in the event of any breach or violation, or threatened breach or violation, of this Agreement; and

d. that the Franchisor will have the right to obtain specific performance, temporary restraining orders, preliminary injunctions, injunctions and other equitable relief to the extent reasonably necessary to protect its interests in prohibiting competitive activities from any court of competent jurisdiction or Arbitrator.

The undersigned Employer and Employee understand and accept the obligations set forth herein and agree to be bound by them.

EMPLOYEE:

____

EMPLOYER:

____

By____________________________

Its____________________________

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C

LIST OF CURRENT AND FORMER FRANCHISEES

List of Current Franchisees

The names, addresses and telephone numbers for the franchised Garage Force Businesses as of December 31, 2022, are disclosed below:

ALABAMA

Tyler Swearengen (2)
147 Marysa Drive
Huntsville, AL 35811
(256) 226-0890

Shane Knaap
6577 Helmock Street
Trussville, AL 35173
(334) 524-2389

ARIZONA

Jason Tapia (2)
7942 W. Acapulco Lane
Peoria, AZ 85381
(602) 316-2918

Matt Smyth (2)
29022 N 153rd Street
Scottsdale, AZ 85262
(480) 290-8870

COLORADO

Bob Lewis
14605 River Oaks Drive
Colorado Springs, CO 80921
(303) 521-3666

Jason Beck (2)
2612 Steeple Rock Fr.
Erie, CO 80516
(720) 226-6857

David and DeAnn Reed (2)
1720 Holly Way
Fort Collins, CO 80526
(970) 829-1855

Ross Cravens (2)
1527 Snap Dragon Ct.
Superior, CO 80027
(720) 576-6888

CONNECTICUT

Bill Feher (4)
11 Audubon Lane
Trumbull, CT 06611
(203) 610-7562

FLORIDA

Luis & Julia Mendez (3)
22559 Lanyard Street
Boca Raton, FL 33428
(561) 322-9233

Andrew Rischer
1729 E Lagoon Circle
Clearwater, FL 33765
(502) 930-4035

Francis Blanfort
3000 NE 16th Ave. Apt. 105
Fort Lauderdale, FL 33301
(954) 496-0027

Thomas Reichert
467 Winwood Ct.
Port Charlotte, FL 33954
(941) 763-4905

Eric Moffit (4)
406 South Albany Avenue Unit B
Tampa, Florida 33606
(813) 220-1523

GEORGIA

Ryan Nicol (2)
995 Freehome Road
Canton, GA 30115
(470) 898-2217

Joel Weeks
25933 Kensington Way
Daphne, AL 36526
(334) 379-9447

Jordan Lathrop
4080 Asheville Manor Port
Cumming, GA 30040
(678) 327-4562

Steven Ruprecht
1267 Golden Rock Lane
Marietta, GA 30067
(770) 250-7617

ILLINOIS

John Teuthorn (2)
11 East Nevada Ave.
Glendale Heights, IL 60139
(630) 621-5343

Alex Botero
1078 Cherry Lane
Lombard, IL 60148
(630) 641-9150

Gary Hudson (2)
125 N CR 1775 E
Hindsboro, IL 61930
(855) 483-3681

Andrew Voice
2349 Ferdinand Lane
Montgomery, IL 60538
(630) 885-8482

INDIANA

Aaron Kimpel (Fort Wayne, IN)
02037 CR 4-50
Edgerton, OH 43517
(419) 551-6039

Aaron Reed (2)
10467 Echo Way
Noblesville, IN 46060
(317) 629-9124

IOWA

Neil Schatz
204 8th Street
Grundy Center, IA 50638
(319) 504-1585

KANSAS

Allen & Sarah Hill
4609 Merion Court
Lawrence, KS 66047
(785) 550-5686

KENTUCKY

Brett & Cindy Howard (2)
143 Winding Way
Shelbyville, KY 40065
(502) 709-1300

LOUISIANA

Devon & Wendy Parliament (2)
26548 Lee Ellis Rd.
Denham Springs, LA 70726
(334) 717-6658

MASSACHUSETTS

Eli Weinstein
4 Talbot Drive
Rehoboth, MA 02769
(617) 224-7524

MICHIGAN

Aamar Alsarraf
15109 Addington Dr.
Commerce Township, MI 48390
(866) 685-5211

Nate Harvard
795 N. 8 Mile Road
Midland, MI 48640
(989) 859-6007

Kevin Holbrook
2549 Middlefield Street
Trenton, MI 48183
(734) 767-8606

Joseph Walker (2)
578 Blackstone
Holland, MI 49423
(855) 514-2724

MINNESOTA

Scott Peck
47670 475th Ave
Perham, MN 56573
(701) 367-0887

Nick and Todd Miller (5)
18525 Highway 212
Norwood Young America, MN 55368
(612) 232-9761

Joel Granberg
4452 Mayo Woodlands Rd. SW
Rochester, MN 55902
(507) 398-6051

Karl Hackman (Winona, MN)
3115 29th St. South
LaCrosse, WI 54601
(507) 450-9420

MISSOURI

Robin Brown
1003 Red Orchard Trail
O'Fallon, MO 63368
(636) 293-8467

MONTANA

Joe McCullough (2)
120 Guadeloupe Dr.
Billings, MT 59101
(406) 860-8406

NEBRASKA

Neil Schatz
641 South 212th St.
Elkhorn, NE 68022
(402) 739-9008

Erik Kreifles
6100 Sunrise Rd.
Lincoln, NE 68510
(402) 975-7064

NEVADA

Wayne Gwyn
2715 Morning Breeze Dr.
Elko, NV 89801
(254) 644-9940

Craig Ricketts (2)
1275 Springer Ct
Reno, NV 89511
(775) 722-9064

NEW JERSEY

Slava Sverdolv (2)
6 Westgate Road
Livingston, NJ 07039
(617) 642-5094

NORTH CAROLINA

Rich Reagan (3)
35 Drake Drive
Benson, NC 27504
(919) 909-0392

William Parra
8611 Concord Mills Blvd., #443
Charlotte, NC 28027
(704) 350-5814

Shenard & Donneka Byrd
4216 Crump Hill Ct
Mint Hill, NC 28227
(980) 295-8552

Shenard & Donneka Byrd
4216 Crump Hill Ct
Mint Hill, NC 28227
(980) 295-8552

NORTH DAKOTA

Scott Halverson & Tyler Sandorf
5612 Bishops Blvd
Fargo, ND 58104
(701) 866-0196

OHIO

Garage Force of Dayton
Johnny Brady
7100 W. Von Dette Circle
Centerville, OH 45459
(937) 265-8519

Garage Force of Cincinnati
John Brady Sr.
26 Wallace Ave.
Florence, KY 41042
(859) 750-4306

Adam Anthony
3701 Dublin Rd
Columbus, OH 43221
(614) 397-3168

OKLAHOMA

Jimbo Taylor (5)
861 E 33rd Street
Edmond, OK 73013
405-205-0606

Jim Somers (2)
9226 S. Elwood Ave.
Jenks, OK 74037
(918) 995-1145

PENNSYLVANIA

Chris McGinnis
277 Finnin Rd
New Kensington, PA 15068
(878) 302-7799

SOUTH CAROLINA

Kevin Gillen
132 Saffron Way
Taylors, SC 29687
(864) 735-0409

Joe Kohler
6277 Carolina Commons Dr.
Indian Land, SC 29707
(803) 322-8713

Doug Lerczak (2)
5177 Colorado Avenue
Camp Lejeune, NC 28547
(877) 367-2317

Blaine Richardson (2)
101 Holly Ridge Lane
West Columbia, SC 29169
(803) 206-5418

SOUTH DAKOTA

Jason Madsen (2)
27036 Revilo Place
Sioux Falls, SD 57108
(605) 670-9654

TENNESSEE

Michael Hargrove
705 Atchison Rd
Camden, TN 38320
(731) 535-9658

Jeff Gentry
115 Irving Hills Dr
Lascassas, TN 37085
(615) 351-7318

Kyle Gredvig (3)
21911 W Firemist Ct.
Cypress, TX 77433
(719) 661-6334

John Okert (4)
2239 St. Andrews Ave.
Zachary, LA 70791
(808) 783-1163

TEXAS

Clark Stricklin
209 Stroud B
Cleburne, TX 76033
(682) 352-2145

Derick Schreckenbach
1011 Avenue D
Fredericksburg, TX 78624
(830) 446-2689

William Jeter
P.O. Box 171
Gardendale, TX 79758
(432) 631-4990

Chris Marino (2)
2803 Old Pecan Grove Ln
Houston, TX 77092
(832) 777-3008

Marc Simpson (2)
6718 Greenwood Valley Place
Katy, TX 77493
(832) 202-8524

Lamahl Labbe
141 Double Mountain Road
Liberty Hill, TX 78642
(253) 341-7445

Greg Raney
3638 Sapphire Court
Corpus Christi, TX 78414
(210) 997-9994

Mark Pope (2 territories)
13968 Alden Ln.
Frisco, TX 75035
(469) 532-3200

John Caldwell (4)
600 Rustic Ridge Dr.
Heath, TX 75032
(214) 454-5796

Ryan Crawford
1708 Spring Green Blvd, STE 120
Katy, TX 77494
(832) 437-5211

Zach Patton
710 Villa Pisa Ln
League City, TX 77573
(832) 596-7978

Zach Patton
710 Villa Pisa Ln
League City, TX 77573
(832) 596-7978

Dennis Stewart
5920 14-1/2
McAllen, TX 78504
(512) 704-5891

Robert Jackson(2)
1231 Smoky Loop RD
New Braunfels, TX 78132
(432) 889-4862

Steve Woldroop (3 territories)
920 Fairway Ranch Parkway
Roanoke, TX 76262
(817) 888-8474

Bill Cravens (5)
1438 Melanie Circle
San Antonio, TX 78258
(210) 781-2000

Michael Ilfrey
2212 Meadow Mountain Drive
Waco, TX 76712
(254) 723-5786

UTAH

Jason Boss
13028 Muzzle Loader Dr
Herriman, UT 84096
(801) 834-1928

Lindsay Griner
12809 S Palermo St.
Herriman Utah 84096
(801)367-8802

Sione Lomu
12809 S Palermo Street
Herriman, UT 84096
(801) 367-8802

Jeff Hoster
482 Whitney Drive
St. George, UT 84770
(801) 347-5299

VIRGINIA

Fernando Avelar (2)
39237 Buchannon Gap Rd.
Aldie, VA 20105
(571) 214-4558

Johnny Smith
17646 Main Street
Dumfries, VA 22026
(571) 288-1350

Adam Standard (2)
6269 Olde Mill Lane
New Church, VA 23415
(607) 206-0476

Justin Gwit (2)
8902 Norwick Circle
Richmond, VA 23229
(757) 871-6264

WASHINGTON

Roberto Cortez (4)
15111 NE 244th Street
Battle Ground, WA 98604
(971) 226-6179

RJ Salisbury
4007 Caldwell Road E
Edgewood, WA 98372
(253) 682-7300

Jeremy Muir (2)
14751 N Kelsey S
Monroe, WA 98272
(360) 991-4596

WISCONSIN

Tim Schaldach (2)
Cashton, WI 54619
(608) 633-0155

Chad Glumske (2)
1502 Viking Avenue
Holmen, WI 54636
(608) 397-9277

Greg & Amanda Kozinski
9700 South Jasper Street
Oak Creek, WI 53154
(920) 946-3872

Doug Thomas
1157 South Taylor St.
Green Bay, WI 54304
(920) 621-2704

Karl Hackman
3115 29th St. South
La Crosse, WI 54601
(507) 450-6420

Garage Force Int.
700 Stonebridge Ave.
Onalaska, WI 54650
(608) 209-1507

Todd Miller (2)
Wausau, WI 54403
(715) 204-9297

FRANCHISEES THAT HAVE LEFT THE SYSTEM

Except as set forth below, no Garage Force franchisees had their franchises terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the Franchisor's most recent fiscal year, and no Garage Force franchisee has failed to communicate with the Franchisor during the ten-week period preceding the date of this Disclosure Document.

Jim Moe
West Fargo, ND 58078
(701) 866-0196

Greg Beebe
Waukesha, WI 53188
(262) 993-6950

FRANCHISE AGREEMENTS SIGNED BUT NOT YET OPEN AS OF DECEMBER 31, 2022

CALIFORNIA

Camron Isaacson (2)
5463 Staples Way
Linden, CA 95236
(209) 481-7682

FLORIDA

Carlos Betancourt
12505 Beacontree Way
Orlando, FL 32837
(484) 347-6681

IDAHO

Philip Denton
2688 E Red Cedar Lane, H304
Boise, ID 83716
(865) 287-4285

ILLINOIS

Mike Toohey
801 W Horseshoe Trail
Edelstein IL 61526
(618) 578-2679

Mamud Dako
645 Evergreen Lane
Hoffman Estates, IL 60169
(312) 480-5086

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D

SAMPLE RELEASE

Ilfrich Integrated Solutions, Inc.

SAMPLE RELEASE

Unless precluded by applicable state law, if you sell, assign or transfer your Franchise Agreement to a third party, you will sign a joint and mutual release containing language substantially similar to the following:

This Joint and Mutual Release is made, entered into and effective this _____ day of ___________, 20_____, by and between Ilfrich Integrated Solutions, Inc. (the "Franchisor") and ________________________ (the "Franchisee").

The Franchisee entered into a Franchise Agreement, dated ________________, 20_____, with the Franchisor (the "Agreement") authorizing the Franchisee to open and operate a franchised Garage Force® Business in the following described Franchised Territory: ____ ____.

The Franchisee desires to transfer, sell and assign the Franchise Agreement to a third party (the "Assignee").

The Franchisor has agreed to consent to the transfer, sale and assignment of the Franchise Agreement by the Franchisee to the Assignee, a condition of which is the execution of the following joint and mutual release by the Franchisor and the Franchisee:

1. Release of Franchisor by Franchisee. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Franchise Agreement to the Assignee, the Franchisee and its affiliates hereby release and forever discharge the Franchisor and its current and former affiliates from any and all claims which the Franchisee and its affiliates have had or now have or may in the future have against the Franchisor and its current and former affiliates or any of them, for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through and including the date of this Joint and Mutual Release including, but not limited to, any alleged violations of the Federal Trade Commission's Trade Regulation Rule relating to Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, "mini" FTC laws, deceptive or unfair trade practices laws, franchise laws or securities laws, and all other local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged breaches or violations of the Franchise Agreement and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

2. Release of Franchisee by Franchisor. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Franchise Agreement to the Assignee, the Franchisor and its affiliates hereby release and forever discharge the Franchisee and its affiliates from any and all claims which the Franchisor and its affiliates have had or now have against the Franchisee and its affiliates for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through, up to and including the date of this Joint and Mutual Release including, but not limited to, any local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement, and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

"Franchisee"	"Franchisor"
________________________________	**Ilfrich Integrated Solutions, Inc.**
By______________________________ Its_____________________________	By______________________________ Its_____________________________

The above language may be modified or supplemented to address issues specific to the transfer of your Franchise Agreement to a third party, or to comply with applicable law (see the Addendum to the Franchise Disclosure Document).

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E

FRANCHISEE QUESTIONNAIRE

FRANCHISEE QUESTIONNAIRE

As you know, Ilfrich Integrated Solutions, Inc. (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Garage Force® Business (the "Franchise"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

	QUESTION	YES	NO
1.	Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to you?		
2.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
3.	Do you understand all of the information contained in the Disclosure Document?		
4.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5.	Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: ________________________________		
6.	Do you understand the terms of and your obligations under the Franchise Agreement?		
7.	Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?		

If you answered "Yes" to question eight (8), 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 question eight (8), please leave the following lines blank.

____
____
____
____
____
____
____

[Signatures Appear on Following Page]

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Disclosure Law.

______________________________	______________________________
FRANCHISE APPLICANT	**FRANCHISE APPLICANT**
Dated: ____________________, 20____	Dated: __________________________, 20____

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F

STATE AGENCY EXHIBIT

STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	Attention: New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Ilfrich Integrated Solutions, Inc.

FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES & RECEIPTS

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Ilfrich Integrated Solutions, Inc. offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Ilfrich Integrated Solutions, Inc. or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

If Ilfrich Integrated Solutions, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in the State Agency Exhibit.

Issuance Date: April 20, 2023

The franchise seller(s) for this offering is/are: Michael Peterson (608) 209-1507 and/or Tim Trailer (855) 436-7230, 700 Stonebridge Avenue, Onalaska, Wisconsin 54650, ______________________________ ____.

Ilfrich Integrated Solutions, Inc. authorizes the respective state agencies identified in the State Agency Exhibit to receive service of process for it in the particular state.

I received this Disclosure Document, dated April 20, 2023, that included the following exhibits:
Addendum to Disclosure Document for State-Specific Modifications
Exhibit A - Financial Statements
Exhibit B - Franchise Agreement, including State Addenda
Exhibit C - List of Current and Former Franchisees
Exhibit D - Sample Release
Exhibit E - Franchisee Questionnaire
Exhibit F - State Agency Exhibit

Signed:	______________________	Signed:	______________________
Print Name:	______________________	Print Name:	______________________
Address:	______________________	Address:	______________________
City/State/Zip:	______________________	City/State/Zip:	______________________
Telephone:	______________________	Telephone:	______________________
Dated:	______________________	Dated:	______________________

Copy To:
Ilfrich Integrated Solutions, Inc.
700 Stonebridge Avenue
Onalaska, WI 54650

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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Iowa and New York require that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

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Exhibit D - Sample Release
Exhibit E - Franchisee Questionnaire
Exhibit F - State Agency Exhibit

Signed:	______________________	Signed:	______________________
Print Name:	______________________	Print Name:	______________________
Address:	______________________	Address:	______________________
City/State/Zip:	______________________	City/State/Zip:	______________________
Telephone:	______________________	Telephone:	______________________
Dated:	______________________	Dated:	______________________

Copy To:
Franchisee