

## FRANCHISE DISCLOSURE DOCUMENT



MARBLELIFE, INC.  
a Texas corporation  
2800 W. Airport Blvd.  
Sanford, Florida 32771  
(407) 302-9297 (Tel)  
(407) 302-9311 (Fax)  
www.marblelife.com  
www.marblelifefranchise.com

You will operate a business that restores, preserves, cleans, seals, repairs and cares for concrete, marble, granite, slate, flagstone, limestone, quarry, tile, terrazzo, brick, grout, vinyl, and other organic and inorganic surfaces and manmade aggregates, and repairs, cleans, grinds, polishes, stains, seals, coats, and densifies concrete surfaces, and sells treatments and coatings for these surfaces.

The total investment necessary to begin operation of a Marblelife franchised business ranges from \$84,841 to \$229,575. This includes \$58,100 to \$158,150 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Alan Mayr, 2800 W. Airport Blvd., Sanford, Florida 32771, (407) 302-9297.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: January 21, 2022

## How To Use This Franchise Disclosure Document

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **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.
3. **Mandatory Minimum Payments.** You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Spousal Liability.** Your spouse if a sole proprietor must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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### EXHIBITS

A	List of State Administrators
B	List of Agents for Service of Process
C-1	Marblelife Franchise Agreement
C-2	State Amendments to Franchise Agreement
D	List of Franchisees
E	List of Former Franchisees
F	Financial Statements
G	Manual Table of Contents
H	General Release (Sample Form Only)
I	Franchise Disclosure Questionnaire
J	State Specific Addenda
K	State Effective Dates
L	Receipt

## ITEM 1

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

In this disclosure document, the term “we” or “us” means Marblelife, Inc., the franchisor. The term “you” refers to the person buying the franchise, the franchisee. If the franchisee is a business entity, such as a corporation or limited liability company, the term “you” does not include the business entity’s owners, unless otherwise stated.

#### Franchisor and its Parent, Predecessor and Affiliates

We are a Texas corporation formed on May 15, 1997. Our principal business address is 2800 W. Airport Blvd., Sanford, Florida 32771. Our agents for service of process are listed in Exhibit B.

We have offered Marblelife franchises since September 1997. From April 2004 to March 2006, we offered a separate concrete services franchise, which operated under the name “Enduracrete.” In March 2006, however, we merged the concrete services business into the Marblelife System. We have never offered franchises in any other line of business. We currently have franchised operations in the United States, the Bahamas, the Caymans, United Arab Emirates, Canada, and South Africa.

From May 1999 until its sale to a franchisee in May 2001, we operated a “company-owned” business in Tarrant County, Texas. Except for this brief period of operation, we have never operated a business of the type that you will operate. Our affiliate, ML Services, Inc. (“MLSI”), however, performs restoration and maintenance services to clients outside of franchised market areas, and operates franchise offices in Philadelphia and Pittsburgh.

We have no parent company, and no predecessor from whom we have acquired the major portion of our assets within the last 10 years.

Our affiliate, Marblelife Distribution, Inc. (“Marblelife Distribution”), sells stone and tile care products to retail distributors around the country. Our affiliate, Franchise Sourcing, LLC (“Franchise Source”) sells products to our franchisees. Our affiliate, ML Franchise Sourcing, LLC (“MLFS”) processes sales of products used by the franchisees to provide services and after-sale care products, and sources transitioned tape and paper protection supply lines. Marblelife Distribution, Franchise Source, and MLFS share our principal business address.

#### The Franchise Offered

We franchise the right to operate a business that (i) restores, preserves, cleans, repairs, cares and maintains marble, terrazzo, tile, grout, vinyl and other types of organic and inorganic surfaces like quarried and dimensional stone, tile and certain man-made aggregates like concrete, terrazzo, brick and grout and (ii) repairs, cleans, grinds, polishes, stains, seals, coats, and densifies concrete surfaces. We call this the “Franchised Business.” You will operate the Franchised Business under the MARBLELIFE trademarks, service marks, logos, and other indicia of origin that we designate (collectively, the “Trademarks”) and may in the future designate, which we will license to you according to the terms of our franchise agreement (see Exhibit C-1) (the “Franchise Agreement”).

Each Franchised Business operates according to our proprietary business format and system (“System”), which includes a design and color scheme; procedures, and service offerings; the MARBLELIFE confidential operations manuals (“Manuals”); operating procedures for maintenance; and methods and techniques for inventory and cost controls, record keeping and reporting, purchasing, and sales promotion and advertising. We may change the System periodically.

#### General Description of the Market and Competition

The general market for the services you will provide is well developed and competitive. You will primarily serve owners of homes, medical buildings, schools, commercial buildings, office buildings, hotels, stores,

warehouses, garages, and government offices. You will compete with individuals and businesses performing similar services, including maintenance and service contractors, small janitorial companies as well as national franchises, marble and stone installers, concrete contractors, and contractors who provide finishing services to the building industry.

Marblelife franchise revenues are affected by seasonality. However, not every Marblelife franchise will be affected similarly due to the combination of several factors including location, population density of year-round residents, geographic location in winter-weather climates, local advertising, and management efforts.

#### Regulations Specific to the Industry

The Franchised Business is subject to the laws and regulations that affect businesses generally, including federal and state anti-discrimination laws, federal wage and hour laws, National Labor Relations Act, and the Occupational Safety and Health (OSH) Act of 1970, which hold employers responsible for providing safe and healthful working conditions for their workers.

Federal law also regulates the disposal of chemicals and hazardous substances.

In addition, many states impose some kind of licensing requirement. For example, in California, you must have a C-61 tile and marble contractor's license to operate a Marblelife franchise. In Michigan, you must secure a builder's license or a tile and grout installation license. Other states may adopt similar license requirements for stone, tile and grout restoration operations.

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

There may be other laws and regulations applicable to your business. We urge you to investigate these laws and regulations and whether there are additional regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchise Business. You should consider both their effect and the cost of compliance.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### G. Edmond Williams: Chairman of Board, Chief Executive Officer:

Mr. Williams has served as our Chairman of the Board and Chief Executive Officer in Euless, Texas since September 1993. Mr. Williams has also served as Director and Chief Executive Officer of Marblelife Distribution and its predecessor since May 1997. He has also served in Euless, Texas as Managing Member of Vapor Galleria Group, LLC since August 2013, and of Vapor Systems, LLC, and VS Distributions, LLC since July 2013.

#### Alan Mayr: President, Chief Operating Officer and Director:

Mr. Mayr has served as our Director since January 2005, as our Chief Operating Officer in Sanford, Florida since January 2006, and as our President in Sanford, Florida since July 2008. Since April 2004, he has owned and operated a Marblelife franchise in Southeast Michigan. Mr. Mayr has owned a minority interest in one Marblelife franchise in Philadelphia, Pennsylvania since January 2016, and in one Marblelife franchise in Chicago, Illinois since May 2018.

#### Jeff R. DeVries: Vice President, Research and Development and Training:

Mr. DeVries has served as our Vice President, Research and Development and Training in Sanford, Florida since September 1997.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

Initial Franchise Fee

When you sign the Franchise Agreement, you must pay us an initial franchise fee. The minimum franchise fee is \$29,900 for a population of 400,000. The initial fee increases by \$4,900 for each additional 100,000 population within the designated territory. For example, if you purchase a total population of 1,000,000 within the designated territory, the initial franchise fee is \$59,300 ( $\$29,900 + \$4,900 \times 6 = \$59,300$ ). We are not limited on the size of any territory we deem appropriate. The initial franchise fee is calculated uniformly for all franchisees and is non-refundable.

Veterans of the U.S. Armed Forces are eligible to receive a 10% discount on their first initial franchise fee. To qualify for the discount, the veteran must own at least a 50% interest in the franchise. “Veteran” means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense. It is the veteran’s responsibility to send us the required documents in order to obtain the discount.

Equipment and Inventory

For convenience and some cost savings, you may purchase your initial equipment and inventory from us or our affiliate. If you do, you must pay us or our affiliate for those items at least thirty days before your training begins. We estimate that the cost for initial equipment and inventory purchased from us or our affiliate is approximately \$28,200 for a franchise operation that does not initially provide any concrete services. If you elect to begin operations that include concrete services your purchase of the initial equipment and inventory may range from \$28,200 to \$98,850. The high range assumes you offer concrete polishing services and reflects the purchase of additional equipment necessary to provide concrete service and to field two dedicated concrete polishing crews. Whether or not you elect to begin operations that include concrete services, we estimate that approximately \$12,500 of this cost will account for your initial purchase of proprietary products from us or our affiliate.

**ITEM 6**  
**OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>2, 3, 4</sup>	6% of first \$500,000 of annual Gross Receipts, 5% of next \$500,000 of Gross Receipts and 4% of annual Gross Receipts in excess of \$1,000,000.	Wednesday of each week	Late fees apply.
Advertising Fee	2% of Gross Receipts	Wednesday of each week	Late fees apply.



Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Local Marketing Expenditure	4% of Gross Receipts, paid quarterly	Quarterly	We reserve the right, but not the obligation, to direct your local marketing expenditure.
Advertising Cooperative Fee	Up to 2% of Gross Receipts	As Cooperative specifies	We reserve the right to establish local or regional advertising cooperatives. Your advertising cooperative fee will apply towards your local marketing requirements. Each participating location (whether franchise or company-owned) will have one vote. See Item 11 for more information regarding potential advertising cooperatives.
Customer Loyalty and Customer Satisfaction Programs	Actual cost of program; currently estimated at \$30 per month for online customer satisfaction surveys	Monthly or other period that we designate	This fee is combined with the local website fee, unless otherwise approved by the franchisor.
Local Website Maintenance Fee/Search Engine Optimization <sup>5</sup>	\$249 - \$350 per month, depending on the level of search engine optimization competition in your market.	Monthly, according to our service provider's payment terms	You are responsible for paying the set up and monthly maintenance costs associated with your local website, however, our current service provider will set up the website at no cost to you. Note that these costs may increase or decrease materially. <sup>(5)</sup>
Front Office Services Back-Up Program	\$15 per answered call	As incurred	You may elect, or we may require you, to participate in our Front Office Back-up Services Program which provides limited front office services for your franchised business as needed.
Front Office Services Program <sup>6</sup>	Actual cost, plus 10% divided by co-op participating offices based on phone calls answered on their behalf. Currently, actual costs are estimated between \$0 to \$4,200 per month based on percentage of calls.	Monthly	You may elect to participate in our Front Office Services Program. There are no long-term contracts, and you can cancel at any time.
Bookkeeping Services	Estimated monthly minimum \$250 plus 1.2% of Gross Receipts	Monthly	Payable if we provide bookkeeping services.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Late Fee	\$50 plus interest at the rate of 1.5% of the principal amount overdue per month, or the highest rate allowed by law, whichever is less	Upon demand	Applies to royalty and advertising fees not paid by the due date.
Administrative Fee	\$250 per enforcement effort (i.e., written or verbal notification and follow up), and \$250 per week for each week that the issue remains unresolved	Upon demand	We may assess an administrative fee to compensate us for our time.
Renewal Fee	20% of your initial franchise fee	Before renewal	
Additional Training (at your location)	Reimbursement of our related costs including food, lodging, and travel expenses of our personnel	On receipt of our invoice	We train up to three people without a training fee.
Additional Training (other elective training programs)	You are responsible for your related incurred costs for travel and living expenses during the training	As incurred	We do not charge a fee for up to three people for each elective.
Convention and Supplemental Training	Up to \$1,000, currently \$0	As incurred	We reserve the right to charge reasonable fees for the annual convention and any advanced, mentor, refresher and other supplemental training programs.
Administrative Fee - Failure to Attend Convention and/or Supplemental Training	\$1,000	As incurred	If you fail to attend an annual convention and/or any advanced, mentor, refresher and other supplemental training programs designated by us, we may charge you an administrative fee as compensation to us for having to independently train you and your employees.
Transfer Fee	\$7,500 plus our reasonable costs and expenses associated with the transfer, including legal and accounting	Before transfer	
Audit	Cost of audit	On receipt of our invoice	Payable only if our audit shows an understatement of at least 3% or if you fail to provide required information to us.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Indemnification	Amount will vary under circumstances	As incurred	You must reimburse us if we incur liability from the operation of your franchise.
Costs and attorney fees	Amount will vary under circumstances	As incurred	You must pay our costs if we must take action to enforce your obligations to us.
Testing	Actual cost of testing	On receipt of our invoice	This covers the cost of testing new products or inspecting new suppliers you propose.
Termination Fee <sup>7</sup>	Amount equal to the average Royalty Fee for the 26-week period immediately preceding termination, multiplied by the number of weeks remaining in the current term of the franchise.	Upon Demand	If the franchised business is closed during any part of the prior 26-week period, the Royalty Fee for any week or partial week closed will be presumed to be the highest weekly amount during the 26-week period.
Liquidated Damages – Breach of Non-Competition Covenants <sup>4</sup>	Amount equal to two times the applicable Royalty Fee, currently as shown in Note 4 below for each month tolled against you for non-compliance.	Upon Demand	Damages for breach of your noncompetition covenant.
Proprietary Products <sup>8</sup>	Approximately 3% to 7% cost of sales	In advance of delivery or C.O.D.	
Sales Leads	\$0 to \$25 per lead	On receipt of invoice	Leads generated through advertising fees (leads generated by us) are provided at no cost to you, but sales leads generated through our approved marketing lead sources vary by source, and can cost up to \$25 per lead.
Sales Lead Phone Source Tracking	\$20 per month plus the cost of inbound phone time which will be increased 20% to cover phone charges and costs associated with directing inbound callers to the appropriate office	Monthly, upon receipt of an invoice, if this service is selected.	These fees may change as the system evolves and may change based on vendor fees as they change periodically.

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
IT Suite	Approximately \$40 to \$52 per month per user	Monthly	Standard package includes QuickBooks Premier or QuickBooks Enterprise, located on a cloud server, provided by an approved outside vendor.
IT Suite Annual Per Seat Fee	\$50 per seat	Annually	Payable if you participate in our cloud server plan.
IT Suite Annual Update Fee	Your proportionate amount of the \$5000 annual cloud service update costs. Currently ranging between \$265 to \$335 per outlet.	Annually	Payable if you participate in our cloud server plan.
Prohibited Services Outside of Territory Fee	15% to 50% of Gross Receipts	As billed	Payable if you perform services outside your territory without or prior written consent.
Technical Field Support Fee (On-Site)	\$500 per day, plus our incurred costs for transportation, lodging, and meals for our field representative(s)	As billed	Payable if you request our technical field support at your Franchised Business.
Administrative Rights for Electronic or Web Reimbursement Fee	\$350 per month	As billed	Payable if we provide administrative functions to any electronic or web service used by you to market the Franchised Business.
Non-Sufficient Funds Fee (NSF)	Currently, \$50 or the actual cost of the fee if greater, per.	On Demand	
Material Support Fee	\$200 per month per technician	As billed	This fee is automatically waived if you meet our then-current system-wide purchasing requirements

Notes:

1. Except as noted, all fees are imposed by and payable to us. All fees paid to us are non-refundable and are generally uniformly imposed.
2. Beginning six months after the date of your Franchise Agreement, you must pay us a minimum royalty as follows: 6-12 months at \$200.00 per month, 12-18 months at \$400.00 per month, 18-24 months at \$600.00 per month, and 25 months to end of franchise term at \$800.00 per month.
3. “Gross Receipts” means all cash receipts and credits or other payments instead of cash (like bartering transactions) from the sale of goods or services, which are part of the Franchised Business or bear the Trademarks. Gross receipts do not include the amount of separately stated sales taxes or the proceeds from the sale of capital assets not in the ordinary course of business.
4. The royalty is calculated as a percentage of Gross Receipts. The percentage is based upon the amount of Gross Receipts for the Franchised Business during each calendar year (January 1 through December 31) and decreases on a marginal basis at certain thresholds in accordance with the following schedule:

<u>Gross receipts year-to-date*</u>	<u>Royalty</u>
\$0 - \$500,000	6%
\$500,001 - \$1,000,000	5%
over \$1,000,000	4%

Beginning six months after the effective date of the franchise agreement, you will be required to pay the greater of the percentage shown above or the minimum amount shown below.

<u>Term of Franchise</u>	<u>\$ Per Territory</u>
6-12 months	\$200 per month
13-18 months	\$400 per month
19-24 months	\$600 per month
25 to end of term	\$800 per month

5. Our designated service provider will set-up and maintain your website and provide search engine optimization services at then-current rates. The current rate is \$249 per month for basic maintenance and search engine optimization, and \$75.00 monthly minimum local pay-per-click advertising and social media management. Additional specific local services as needed will be managed by a Marblelife approved outside vendor. These fees can change over the course of the term of your franchise agreement, and there is no limit on the change.
6. The low end assumes your office answers all calls during the month and our services are not needed that month, the high end assumes you utilize the services of one full-time office person dedicated to your account.
7. Under certain circumstances we may permit you to close the franchised business without payment of the Termination Fee if: (a) at least 50 days prior to the proposed closure you deliver your written notice to us of your intent to close, (b) you provide copies of your profit and loss statements for the prior 6 month period with your notice, (c) following our review of your financial information we, in our reasonable judgement, concur that the franchised business sustained a net cumulative loss during the 6-month period, and (d) you and your guarantors sign a general release of all claims in a form acceptable to us.
8. There are specific proprietary products that meet our System standards which are used for the operation of the Franchised Business. You must purchase these proprietary products from us or our affiliate before opening and during the term of the franchise. The annual amount of product is dependent on the type of service provided, i.e. stain, sealing, grout, concrete, etc., and the volume of product necessary to complete the service. See Item 5 regarding the associated cost to purchase these proprietary products before opening.
9. If third party suppliers require that supply agreements be entered into directly with us, or that we are billed for goods and services supplied by others to you and must then invoice and collect funds from you, then the amount of this supplier's invoice will be increased to include a 20% overhead, bad debt, and administration charge.

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**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure<sup>(1)</sup></b>	<b>Amount (Low)</b>	<b>Amount (High)</b>	<b>Method of payment</b>	<b>When due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee <sup>(2)</sup>	\$29,900	\$59,300	Lump sum	On signing of Franchise Agreement	Us
Computer, Software and Office Equipment <sup>(3)</sup>	\$1,000	\$2,000	As agreed	Before opening as incurred	Third parties and us
Initial Equipment and Inventory <sup>(4)</sup>	\$28,200	\$98,850	As agreed	Before opening as incurred	Us, our affiliate, or third parties
Web & Cloud Server Plan Initial Set-up Fee	\$625	\$625	Lump sum	Before opening	Third parties
Rent (three months) <sup>(5)</sup>	\$600	\$1,200	As agreed	Before opening as incurred	Third parties
Van or Truck <sup>(6)</sup>	\$10,000	\$32,000	As agreed	Before opening as incurred	Third parties
Decal or wrap (per vehicle)	\$1,200	\$3,000	Lump sum	Before opening as incurred	Third parties
Insurance (three months)	\$2,616	\$2,766	As agreed	Before opening as incurred	Third parties
Licenses	\$0	\$2,234	As agreed	Before opening as incurred	Third parties
Pre-Opening and Opening Advertising	\$2,000	\$4,000	As agreed	Before opening as incurred	Third parties
Travel and Living Expenses While Training	\$1,200	\$3,600	As incurred	During training	Travel and Living Expenses While Training
Additional Funds <sup>(7)</sup> - three months	\$7,500	\$20,000	As incurred	As incurred	
<b>Total</b>	<b>\$84,841</b>	<b>\$229,575</b>			

**Notes:**

1. The amounts you pay to us are non-refundable. Neither we nor our affiliate offer direct or indirect financing for the initial investment to purchase the franchise.
2. The initial franchise fee is a minimum of \$29,900, covering an area with a minimum general population of 400,000 people suitable for a franchisee currently operating an existing business proposing additional services through MARBLELIFE franchise opportunity. The initial franchise fee will increase by \$4,900 per each additional 100,000 population within the territory. The high range represents a territory consisting of a population of 1,000,000. If franchisee chooses to offer only MARBLELIFE services, we recommend franchisee to launch with a minimum population of 1,000,000 people.

3. This category includes a computer and printer, customized software, a smart telephone system and related office supplies. You must have a computer with a processor running at least 2.4 GHz, with a hard drive of at least 128 GB and 4 GB RAM, and equipped with internet access and an e-mail address. The PC computer must run Microsoft Windows 10 or a more recent operating system, so that we may access your accounting and job invoicing for audits of your franchised business. You will also need a smart phone with a five megapixel or better camera and a data plan to take before-and-after pictures of your projects.
4. The low range assume you will offer concrete coating services but not initially offer concrete polishing services and the high range assumes you offer concrete polishing services and reflects the purchase of additional equipment necessary to provide concrete service and to field two dedicated concrete polishing crews. High range also assumes increases in costs up to 15% over the course of the next year due to increased supply chain costs.
5. You may operate from a home-based office. The figures assume you also elect to utilize a separate storage facility that includes a heating function to avoid damage to inventory during freezing conditions. The figures assume rent for 3 months for a storage space of approximately 200 square feet, and that no security deposit is required. The actual amount may vary depending on the size of the space and the prevailing local rental rates. We have not estimated any expense for real estate, construction, remodeling, leasehold improvements or decorating costs because you are encouraged to operate your business from your home.
6. We have not estimated any expense for real estate, construction, remodeling, leasehold improvements or decorating costs because you are encouraged to operate your business from your home.
7. The low range assumes you purchased a used vehicle that meets our standards, the high end assumes a new purchase.
8. This category covers expenses you will incur during the three-month initial phase of your franchise. These expenses include royalty fees, advertising fees and expenses, insurance premiums, payroll costs, cost of an outside call center designated by us from 8:00 a.m. to 5:00 p.m. Monday through Friday (if the payroll does not include a full-time receptionist), and additional inventory. We relied on our business experience and knowledge to compile these estimated amounts.

## **ITEM 8**

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

You must purchase the proprietary products used in your Franchised Business from our affiliate Franchise Sourcing, LLC. The proprietary products include cleaners, coatings, sealers, diamonds, and other chemicals used in the business. Franchise Sourcing, LLC is currently the only designated supplier for the proprietary products.

You must engage our designated service provider to set-up and maintain your website, and to provide search engine optimization services. You must purchase from approved or designated suppliers all other principal products and equipment used to establish and operate your Franchised Business, and certain other products, supplies and equipment, including uniforms, that we specify for use in the establishment and operation of your Franchised Business. You must use only our, or our designated service provider's, scheduling and/or customer relationship management software system, and any other technology support system or software. This is currently called the MARBLELIFE Scheduling System. You may not use in your Franchised Business any materials, software, or products other than those specifically authorized or supplied by us or our affiliate. Your use of a supplier of any materials or products that we have not approved will constitute a material breach of the Franchise Agreement.

We or our affiliate are an approved supplier for the products and equipment you must purchase to establish and operate your franchise. Except for proprietary products, we are not the only approved supplier for these products and equipment. Marblelife Distribution is the only approved supplier for our retail distribution displays that we, our representatives or you will seek to position at hardware and tile shop locations. Except for our officers' interest in Marblelife Distribution and Franchise Sourcing, LLC, neither we nor any of our officers owns an interest in any privately-held suppliers, or a material interest in publicly-held companies that may be suppliers to our franchise system.

We may require that you purchase products, supplies, or equipment meeting our specifications. Our specifications include minimum standards for quality, performance, uniformity, reporting of shipments and other relevant standards that we establish. We formulate and revise our specifications based on our knowledge and experience in the industry as well as the testing of products and equipment. We approve products based on the ability of the products to meet or exceed our specifications. We approve suppliers based on the ability of the supplier to consistently furnish products that meet or exceed our specifications.

You may request to have a product or supplier approved by us, except for proprietary products and suppliers of proprietary products. Your request should be in writing and must include information about the supplier's qualifications and a sample of the product or service. We may submit the information to an independent laboratory or another appropriate independent expert to determine if the product or supplier meets our specifications. We will notify you of our decision within 90 days of the date of your request. You must reimburse us for the actual costs of testing.

We will provide you our criteria for approving new suppliers, and the names of approved vendors/suppliers during our training program. We may supplement, modify, or update our criteria for approval of new vendors/suppliers, and any other System specifications by bulletins and in the Manuals. We will issue approval or disapproval of products or vendor/suppliers to you in memos, bulletins or in the Manuals. Because customers expect a uniform level of quality from all franchisees, you may not use in your Franchised Business any materials, treatments or coatings other than those specifically authorized or supplied by us or our affiliates.

You must also purchase and maintain one or more vans, trucks, or trailers for use in your Franchised Business. You may purchase these vehicles from any source. However, the vehicles must be less than five years old when acquired, in excellent condition and white in color.

You must have a Marblelife decal or wrap, approved by us, professionally applied to each vehicle and to equip and outfit each vehicle in accordance with our specifications. Each wrap is required to carry a national tracking number provided by us. If your vehicle wrap does not comply with our requirements, you bear the cost of replacing the vehicle wrap with a compliant vehicle wrap.

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

You must carry out advertising and promotional activities at your expense. While you will be free to determine the extent of this advertising and promotion, all advertising must be either purchased from us or submitted to us for our prior written approval. All advertising must conform to our graphic standards and incorporate requirements that we specify. We will develop sales and promotional materials and programs that you may purchase from us. You may purchase these materials and programs from other sources as long as they meet our requirements. You may only use our proprietary scheduling, communication, and marketing analysis system to evaluate your marketing efforts.

The Franchised Business may be operated from your home. If you choose, you may maintain a separate storage facility to meet your needs. The storage space must include a heating function during freezing conditions. We do not require you to operate from a commercial or industrial space. The office location, whether located in your home or otherwise, must be located within your designated territory.



## Insurance

You must purchase and maintain insurance coverage of the types and with the minimum limits that we specify. You shall obtain and maintain insurance of at least the following types and limits, on terms satisfactory to us, with a reputable and financially strong independent insurance carrier rated at a minimum A by Best, Aa by Moody's and AA by Standard & Poor's:

1. Broad form comprehensive general liability coverage, including contractual liability coverage including but not limited to the indemnification requirements of the Franchise Agreement. Limits shall not be less than \$2,000,000 per occurrence and in the aggregate. The insurance shall not have a deductible in excess of \$5,000.
2. Worker's Compensation and Employer's Liability Insurance in accordance with statutory requirements.
3. Fire and Extended Coverage Insurance on your business premises, vehicle(s) and property in an amount adequate to replace them in the event of an insured loss.
4. Business Interruption Insurance in sufficient amounts to cover the rental of the business premises, vehicle(s), previous profit margins, maintenance of competent personnel and other fixed expenses.
5. Comprehensive Automobile Liability coverage for all owned, non-owned and hired vehicles with bodily injury limits of no less than \$2,000,000 per person and per accident, and property damage limits of no less than \$2,000,000 per accident.

Franchisor reserves the right to require you to obtain insurance policies to protect against cybersecurity threats, and accordingly, to require that Franchisor is named as additional insured on these cybersecurity insurance policies.

The insurance certificates with respect to paragraphs 1 and 5 must name Marblelife, Inc. as additional insured. The insurance must be primary coverage without right of contribution or subrogation from Franchisor any other Franchisor insurance.

We must be named as an additional insured on the comprehensive general liability and the automobile liability policies. The insurance must be primary coverage with our right of contribution or subrogation from us.

A certificate of insurance for each policy must be delivered to us before you begin operation of your Franchised Business and when each policy renews. The foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with the Franchised Business. Nothing in this disclosure document or franchise agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require. Annually, we may change or increase the minimum amounts of insurance required by you.

## Revenue Derived from Franchisee Purchases and Leases

In our fiscal year that ended on March 31, 2021, we derived no revenue from required franchisee purchases or leases. However, during Franchise Source's fiscal year ending March 31, 2020, it derived \$428,478 in revenue from franchisee purchases, which represents approximately 100% of its total revenues of \$428,478.

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

We estimate that approximately 56% of your initial investment will account for your required purchases and leases to establish your MARBLELIFE franchise business. During the term of the franchise we estimate

that approximately 4% to 20% of your annual expenditures will account for your required leases and purchases for the operation of the franchise.

Description of Purchasing Cooperatives; Purchasing Arrangements

We have not negotiated any purchasing arrangements with suppliers for the benefit of franchisees. Presently there are no purchasing or distribution cooperatives in existence for the franchise system.

**ITEM 9**

**FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 2.2(e)	Items 7, 8 and 11
b. Pre-opening purchase/leases	Sections 2.2 and 2.3	Items 5, 7 and 8
c. Site development and other pre-opening requirements	None	Not applicable
d. Initial and ongoing training	Article 2	Item 11
e. Opening	Section 7.2	Items 11 and 17
f. Fees	Sections 3, 4.2, and 6.2	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Articles 1 and 2	Items 8 and 11
h. Trademarks and proprietary information	Article 5	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.5 and 2.3	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 2.6	Not applicable
k. Territorial development and sales quotas	Article 1 and Schedule A	Item 12
l. Ongoing product/service purchases	Section 2.3	Items 8 and 16
m. Maintenance, appearance and Remodeling requirements	Section 1.5	Items 11 and 17
n. Insurance	Section 9.4 and Schedule D	Items 7 and 8
o. Advertising	Section 2.4	Items 6, 7 and 11
p. Indemnification	Section 8.3	Item 6
q. Owner's participation/ Management/staffing	Article 2 and Section 5.3	Item 15
r. Records and reports	Section 4.1	Item 6
s. Inspections and audits	Section 4.2	Item 6
t. Transfer	Article 6	Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
u. Renewal	Section 7.1	Item 17
v. Post-termination obligations	Sections 7.3	Item 17
w. Non-competition covenants	Sections 2.5	Item 17
x. Dispute resolution	Sections 9.7 and 9.8	Item 17
y. Continuing Guaranty of Obligations	Section 6.1 and Schedule C	Item 16

**ITEM 10**  
**FINANCING**

Neither we nor our affiliate offer direct or indirect financing for the initial investment to purchase the franchise.

**ITEM 11**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING COMPUTER SYSTEMS, AND TRAINING**  
**Except as listed below, Marblelife, Inc. is not required to provide you with any assistance.**

Before you begin operating your business, we will:

1. Train up to a total of three attendees (which must include you if you are a sole proprietor and at least one owner if you are a legal entity) to operate your franchise. (Section 2.1(b) of the Franchise Agreement.) Our training programs are described in more detail below.
2. Provide you with decals for you to have professionally applied to the vehicle or vehicles you will use in your Franchised Business. (Section 2.2(a) of the Franchise Agreement.)
3. Provide you with proprietary products or with the names of a source or sources for certain of the equipment, products and supplies you will use in your Franchised Business. (Section 2.3(b) and (c) of the Franchise Agreement.)
4. Provide you with a digital copy of our Manuals, which contain our specifications for the operation of your Franchised Business. (Section 1.5(a) of the Franchise Agreement.) Our specifications and the Manuals are confidential and remain our property. (Section 5.3(c) of the Franchise Agreement.) We may modify the Manuals at any time and you agree to implement the changes in a commercial reasonable manner within 60 days of the change, but these modifications will not alter your status and rights under the Franchise Agreement (except as the Franchise Agreement expressly contemplates this alteration). (Section 1.5(b) of the Franchise Agreement.) The table of contents for our Manuals is attached as Exhibit G to this disclosure document. The Manuals contain a total of 439 pages.

During the operation of the Franchised Business, we will:

1. Provide technical support by telephone and, at your request, provide additional training for your personnel at our office, subject to space availability, and technical field support, subject to the availability of personnel and payment of any associated fee. (Section 2.1(f) of the Franchise Agreement.)
2. Provide you with the name or names of a source or sources for the principal supplies you will use in your Franchised Business. (Section 2.3(c) of the Franchise Agreement.)
3. Fill your orders for proprietary products that you must purchase from us in a timely manner. (Section 2.3(b) of the Franchise Agreement.)

4. Develop sales and promotional materials and programs, from time to time, that you can purchase and use to promote your Franchised Business. (Section 2.4(d)(i) of the Franchise Agreement.)
5. Designate web design available for your use in your local website for your Franchised Business (www.marblelife-[territory].com (Section 2.6(f) of the Franchise Agreement)
6. Designate a “@marblelife.com” email address for your use during the term of the Franchise Agreement. (Section 2.6(e) of the Franchise Agreement.)
7. If we deem necessary, adopt policies for subcontracting or compensation from one franchisee to another for work obtained by one franchisee but performed in another franchisee's territory. (Section 1.3(a) of the Franchise Agreement.)
8. Periodically analyze your sales, promotions and financials and give you suggestions as to any improvements we believe would be beneficial. (Section 2.6(d) of the Franchise Agreement.)

### Training Program

Before you begin your Marblelife Franchised Business, up to three of your personnel selected by you (which must include you if you are a sole proprietor and at least one of your owners if you are a legal entity) must participate in our training program to our satisfaction.

The initial training program is a two-week course and is conducted at our home office in Sanford, Florida or at a different place as we may designate. Currently our training programs are offered every month, except for the month of October. Our training materials consist of the Manuals, PowerPoint presentations, marketing tools, and other literature.

Mr. Jeff DeVries, our Vice President, Research and Development, will, unless otherwise noted below, oversee our initial training programs. Mr. Jeff DeVries has over 25 years of experience in the stone restoration industry and has conducted training and overseen the operation of franchises in our System for over 18 years. You must pay for all travel and living expenses you and your personnel incur during initial training, including wages and benefits for your employees while attending training.

The following tables provide detailed information about the initial training program.

#### TRAINING PROGRAM (Initial)

Subject	Hours of Classroom Training	Hours of On- the-Job Training	Location
<b>OPERATIONS</b>			
Overview	2	--	Sanford, Florida
Reviewing Marble	2	2	Sanford, Florida
Preparation-Restoration	1	2	Sanford, Florida
Restoration	1	8	Sanford, Florida
Preservation	1	8	Sanford, Florida
Restoration – Vanity	1	3	Sanford, Florida
Stain	1	1	Sanford, Florida
Sealing	1	1	Sanford, Florida
Ceramic	1	5	Sanford, Florida
Walls	.5	3	Sanford, Florida

Subject	Hours of Classroom Training	Hours of On- the-Job Training	Location
Granite	.5	3	Sanford, Florida
Vinyl	3	1	Sanford, Florida
Safety	3	--	Sanford, Florida
Hands on – Review Off site	--	8	Sanford, Florida
<b>MARKETING &amp; SALES</b>			
Mission Statement	0.5	--	Sanford, Florida
Introduction/Review of Sales/Pricing	2-3	--	Sanford, Florida
Sales Sequence	1	--	Sanford, Florida
Handling Objections	1-2	--	Sanford, Florida
Review of Typical Questions from Customers	1-2	--	Sanford, Florida
Marketing your Business	1-2	--	Sanford, Florida
Determining your Success Formula	1-1.5	--	Sanford, Florida
Develop Business and Marketing Plan	6	--	Sanford, Florida
Marketing Plan	1-2	--	Sanford, Florida
<b>TOTAL</b>	<b>38</b>	<b>45</b>	

Within the first 12 months after you begin operations, but before you may perform any grout services, up to three of your personnel selected by you (which must include you if you are a sole proprietor and at least one of your owners if you are a legal entity) must participate in our grout training program to our satisfaction. The grout training program is a three-day course and is conducted at the office of either our franchisee in Detroit, Michigan, or our corporate office in Sanford, Florida. Mr. VanMeerbeek or Mr. Jeff DeVries will oversee your grout training program. Mr. VanMeerbeek has over 17 years' experience in the grout field and has conducted grout training for our System franchisees for over 14 years. Mr. VanMeerbeek owns an interest in our Detroit, Michigan franchisee and developed our grout program. Mr. Jeff DeVries has more than eight years' experience in the tile and grout restoration field, and has been one of our franchisees for over three years. You must pay for all travel and living expenses you and your personnel incur during grout training, including wages and benefits for your employees while attending training.

The following tables provide detailed information about the grout training program.

#### **TRAINING PROGRAM (Grout)**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Overview	0.5	0	Detroit, Michigan or Sanford, Florida
Value Selling GROUTLIFE	0.5	0	Detroit, Michigan or Sanford, Florida

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Marketing GROUTLIFE	0.5	0	Detroit, Michigan or Sanford, Florida
Live Sales Calls	2	4	Detroit, Michigan or Sanford, Florida
Equipment and Supply Overview	0.5	0	Detroit, Michigan or Sanford, Florida
Restoration	2	13	Detroit, Michigan or Sanford, Florida
TOTAL	6	17	

Within the first 12 months after beginning your Marblelife Franchised Business, and before you may perform any concrete services, up to three of your personnel selected by you (which must include you if you are a sole proprietor and at least one of your owners if you are a legal entity) must participate in our concrete training program to our satisfaction. The concrete training program consist of a total of four days and is conducted at our home office in Sanford, Florida or at a different place as we may designate. You must pay for all travel and living expenses you and your personnel incur during concrete training, including wages and benefits for your employees while attending training. In addition, once you successfully complete the training, you will need to purchase the specific equipment necessary to provide the concrete coating services. We estimate the costs to range from \$19,353 to \$21,303.

The following tables provide detailed information about the concrete training program.

**TRAINING PROGRAM (Concrete: Coating, Grinding, Polishing, and Staining)**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, Introductions	0	0	Sanford, Florida
Participative Process	1	0	Sanford, Florida
Marketing & Sales Primer	1	0	Sanford, Florida
Concrete Markets	1	0	Sanford, Florida
Project Evaluations & Estimating	2	0	Sanford, Florida
Material and Equipment	2	0	Sanford, Florida
Technical Performance (Skill Sets) Criteria	0	9	Sanford, Florida
TOTAL	7	9	

**TRAINING PROGRAM**

(Concrete: Endurachip, Enduracrete Granular, and Enduracrete Marblized Coatings)

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome, Introductions	0	0	Sanford, Florida
Participative Process	1	0	Sanford, Florida
Marketing & Sales Primer	1	0	Sanford, Florida
Concrete Markets	1	0	Sanford, Florida

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Project Evaluations & Estimating	1	0	Sanford, Florida
Material and Equipment	2	0	Sanford, Florida
Technical Performance (Skill Sets) Criteria	0	10	Sanford, Florida
<b>TOTAL</b>	<b>6</b>	<b>10</b>	

The following table contains detailed information about the TileLok training program.

**TRAINING PROGRAM (TileLok)**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Overview	1	0	Sanford, Florida
Chemistry Introduction	1	0	Sanford, Florida
Application	2	0	Sanford, Florida
Tile Introduction	1	0	Sanford, Florida
Concrete Introduction	1	0	Sanford Florida
Tile & Concrete Application	4	0	Sanford Florida
Anti-Graffiti Introduction	1	0	Sanford, Florida
Anti-Graffiti Application	1	0	Sanford Florida
Pricing and Marketing	4	0	Sanford Florida
<b>TOTAL</b>	<b>16</b>	<b>0</b>	

Within the first six months after you begin operations, but before you may perform any TileLok applications, up to three of your personnel selected by you (which must include you if you are a sole proprietor and at least one of your owners if you are a legal entity) must participate in our TileLok training program to our satisfaction. The TileLok training program is a two-day course and is conducted at either our corporate training center or our manufacturer. You must pay for all travel and living expenses you and your personnel incur during initial training, including wages and benefits for your employees while attending training.

The following table contains detailed information about our VinylGuard program.

**TRAINING PROGRAM (VinylGuard)**

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Overview	1	0	Sanford, Florida
Chemistry Introduction	1	0	Sanford, Florida
Pricing and Marketing	2	0	Sanford, Florida
Vinyl Application Introduction	3	0	Sanford, Florida
<b>TOTAL</b>	<b>7</b>	<b>0</b>	

Within the first six months after you begin operations, but before you may perform any VinylGuard applications, up to three of your personnel selected by you (which must include you if you are a sole proprietor and at least one of your owners if you are a legal entity) must participate in our VinylGuard training program to our satisfaction. The VinylGuard training program is a two-day course and is conducted at our corporate training center. You must pay for all travel and living expenses you and your personnel incur during initial training, including wages and benefits for your employees while attending training.

We may periodically enter into agreements with national or regional manufacturers or installers of stone and other natural and man-made materials to perform warranty or other services on their behalf. Before performing any services under these agreements, you may need to attend training classes or otherwise become certified to perform these services.

We may, at our sole discretion, admit additional personnel to any component of the training program and waive any training-related fees. We may require you and your personnel to attend additional training programs. We may charge for additional training programs, and you must pay all travel and living expenses you and your personnel incur during training, including wages and benefits for your employees while attending training.

### **Advertising**

You will pay us a monthly advertising fee equal to 2% of your Gross Receipts (“Advertising Fee”). Although not contractually required, we anticipate that company and affiliate-owned operations will contribute Advertising Fees on the same basis as our franchisees.

Advertising Fee monies are held in a separate account; however, the monies collected are managed like an advertising fee. Advertising Fee monies collected during the calendar year that are not spent that specific year, may be used at our discretion during the following year. There is no requirement that the Advertising Fee monies be audited, but upon request, we will make available to our franchisees, once a year, an Advertising Fee report reflecting the total amount of monies collected and spent by us during the past year and list, by general category, the manner in which the monies were spent. Neither we nor our affiliates have any fiduciary obligation for administering the Advertising Fee Monies or for any other reason.

We will develop sales and promotional materials and programs which can be purchased by you to assist you in selling and performing services in your area. We will conduct promotional and marketing activities as we consider appropriate. This may include producing marketing and promotional materials and making them available to you for use or placement in your area. All of our marketing and promotional materials are produced in house with the help of an outside advertising agent. You may develop advertising materials for your own use, at your own cost. We must approve these advertising materials in advance and in writing, but if we do not respond within 10 business days after receiving your proposed advertising material, the material is approved.

You must spend each quarter an amount equal to 4% of Gross Receipts with a designated third-party vendor or supplier we approve for the local promotion of the Franchised Business in the Territory. Additionally, you must conduct a pre-opening and opening internet and print advertising campaign beginning 30 days prior to opening and during the first 60 days of operations. The cost of this campaign may range from \$1,600 to \$4,000.

Advertising Fee monies are intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Marblelife businesses operating under the System. There is no assurance or guarantee that any particular franchisee will benefit directly or on a pro rata basis from the expenditure of Advertising Fee monies or the placement of advertising using Advertising Fee monies, regardless of whether we assist you with advertising your Franchised Business. We do not use Advertising Fee monies to principally solicit for new franchisees; however, we may include in all advertising (including Internet advertising) information concerning franchise opportunities, and a portion of the Advertising Fee



monies may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by prospective franchise candidates.

We create and own all social media accounts used in operation of the Franchised Business and you are given access and use as long as you comply with our standards and requirement. If you fail to comply we will prohibit your access, and we may terminate the social media accounts associated with the Franchised Business. The term “social media” includes, without limitation, personal blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE; Internet listing sites such as WIKIPEDIA, GOOGLE, FOURSQUARE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar Internet, social networking, or media sites, mobile platforms, or tools.

You must take part in any cooperative advertising that we request. We currently do not expect your monthly contribution requirement to exceed 2% of Gross Receipts; however, this limit is subject to an increase established by a majority vote of the cooperative members. If we have any company-owned locations participating in a cooperative each will contribute to the cooperative on the same basis as franchisees, and each will have one vote, the same as franchisees.

When there are at least two or more Marblelife locations operating in a designated marketing area (whether company-owned or franchised), we have the right to form an advertising cooperative for the purpose of collectively advertising and promoting the Marblelife businesses (“Area Cooperative”). Each Area Cooperative will operate according to written governing documents that we create. We may form, change, dissolve an advertising cooperative. Cooperative members are responsible for administrating their respective fund, and therefore we do not provide annual or periodic financial statements regarding advertising cooperatives. However, each cooperative may choose to prepare unaudited annual statements available for review by the cooperative members. All cooperative advertising must be pre-approved by us prior to publication or distribution. No Area Cooperatives have yet been formed and, therefore, governing documents are not available for your review.

All marketing must carry a national tracking number provided by us for the purpose of securing accurate lead count and lead cost data. We may suspend your participation in any referral, advertising or other program while you are in default under your Franchise Agreement.

We presently do not have any advertising cooperatives and we do not have a National Advertising Council.

### **Site Selection**

In most cases, your Franchised Business will be operated primarily from your home office, utilizing vans, trucks, or trailers purchased by you. You may also maintain a separate storage facility to meet your needs, and that includes heating during freezing conditions. If you choose to operate from a commercial or industrial space, you may do so, and the selection of the space is entirely up to you. You must maintain your books and records at your primary office. The location of your Franchised Business is not important and site selection is not part of our System. We will not select or approve the location of your Franchised Business at opening or at any time after your opening. Your Franchised Business office location must always be located inside your Territory.

### **Computer Systems**

You must purchase, install, and maintain computer systems, hardware, and software necessary to permit us direct access by an internet connection to your computerized point-of-sale systems, data, and all other related computer hardware and software systems. You must have a computer with a processor running at least 2.4 GHz, with a hard drive of at least 128 GB and 4 GB RAM, and equipped with internet access and an e-mail address. The computer must run Microsoft Windows 10 or a more recent operating system, so that we may access your accounting and job invoicing for audits of your franchised business. You will also

need a smart phone with a five megapixel or better camera and a data plan to take before-and-after pictures of your projects.

As technology or software is developed in the future, we may require you to acquire additional, new, or substitute software, and replace or upgrade your computer system and software. We do not provide maintenance, repairs, upgrades or updates, and do not contract with third parties to provide these services to you. The cost of purchasing the required computer systems and software is approximately \$1,000 to \$2,000.

You must, at your own expense, install, maintain and use all of the cloud service, electronic funds transfer, marketing, customer satisfaction programs, accounting, Internet, social media and other services designated by us to assist you in the timely and efficient delivery of goods and services, the marketing of the Franchised Business, and reporting and compliance.

We reserve the exclusive right to establish a designated accounting system for the System, including all related hardware, software, training, maintenance and support, any of which may be provided directly by the Franchisor or via third-party designated suppliers, and all of which shall be at the sole expense of the Franchisee. We currently require use of QuickBooks Premiere or QuickBooks Enterprise accounting software with a version that we specify as approved in our Manuals. Currently, we require all franchisees to submit their royalty reports electronically through Marblelife's franchise center royalty reporting system, which also handles payment, manages maintenance card mailing lists, customer information, customer newsletter mailing lists, and automated review submissions. You will be required to submit QuickBooks reports through this system, in the format and manner that we require. Your annual costs related to participation in the QuickBooks and cloud server plan (based on four users) may range from \$2,385 to \$3,031.

We will have independent access to the information and data that you may collect, and there is no contractual limit for us to access this information. We may change, modify, upgrade or update our specifications for the hardware and software as we determine necessary to meet the needs of the System and you must comply with the new specifications. There are no contractual limitations on the frequency or cost of your obligation to comply with any new specifications for hardware and/or software. The annual cost of any optional or required maintenance, updating, upgrading or support contracts is approximately \$450 per year.

If we establish a system-wide accounting system, you will be responsible for the costs of maintaining the software and hardware necessary to run the designated system and any training or support expenses associated therewith, however, we will provide you with a credit for the initial software conversion costs.

The computerized bookkeeping, reporting, and accounting system required to be installed and maintained by the franchisee under the Franchise Agreement must provide us with on-line access (electronic data interchange) that will permit us to access all of your computer-based financial information, and to read, download, and copy any and all information. In other words, you must provide, or make available for access, the entire executable and operational electronic file (also called a soft file) of any accounting software prescribed by us.

You must use our, or our designated service provider's, scheduling and/or customer relationship management software system, as designated by us. You will be responsible for all costs associated with the conversion and use and maintenance of this software including any support or training expenses associated with it.

You must use the electronic mail account assigned by us in conducting all Franchised Business. If you use a personal electronic mail account for the conduct of your Franchised Business then you will be required to assign that account to us upon receipt of written notice from us. We will create a local website for your Franchised Business and will license to you the use of that website. We must pre-approve all content of

the website. We will be responsible for the costs of setting up the website; however, you will be responsible for the monthly maintenance costs, which are approximately \$249 to \$350 per month payable to an outside vendor. The website will take the form of “www.marblelife-[territory].com” (if available, failing which we will designate an alternate name) and will remain our property. The license granted to you to use the website and e-mail accounts will terminate upon termination of the Franchise Agreement for any reason. You may not establish a website or other listing on the Internet pertaining to the Franchised Business without our prior written consent.

### **Time of Opening**

You will typically open your Marblelife Franchised Business within three months after attending initial training. You must attend and successfully complete the initial training within 60 days of signing a Franchise Agreement. Factors that affect this time period are the availability of equipment, completion of training and your personal timetable. If you fail to attend training within 60 days of signing a Franchise Agreement or fail to open the Franchised Business within 90 days of completing training, we may terminate the Franchise Agreement after notifying you.

## **ITEM 12**

### **TERRITORY**

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

You will operate the Franchised Business from either your home, or from a commercial or industrial space of your choosing, either of which must be located within a geographic area that we have determined to be the natural market for the business of the franchise (a “Territory”). A Marblelife Territory generally is identified by municipal, county, or state lines and is nonexclusive, meaning that we can grant more than one franchisee the right to provide services in the Territory. The minimum territory consists of a general population of 400,000, however, we recommend a population density of 1,000,000. If we agree, the territory may be expanded for an additional fee for each population increase of 100,000.

When introducing a franchisee to a new (*i.e.*, previously unserved) territory, our policy, generally, is to allow the new franchisee a period of two years to reach full development potential, before considering whether to introduce another franchisee into the territory. Because we cannot control our franchisees’ growth and employment practices (*i.e.*, once a franchise is awarded, they may engage as many craftsmen as they choose), however, we cannot guarantee that the number of craftsmen in any territory will not exceed our desired ratio.

If we determine that you are not or are unable to service the Territory adequately, or if you do not comply with our required restrictions on sources of products including purchase of any inventory and other products using our System from a designated or approved supplier, we will provide you written notice to cure your defaults within 30 days. If you do not cure the deficiencies within 30 days, then we reserve the right to open to Territory to be serviced by another franchisee or an affiliate-owned business. Likewise, if you use unauthorized software, hardware, computer system, or cloud-based system, and do not cure the default on Franchisor’s written notice within the applicable cure period, we may open the Territory to be serviced by another franchisee or an affiliate-owned business.

Before August 2012, we granted exclusive territorial protection to several Marblelife franchisees. Therefore, we restrict your operations (including your marketing and solicitation efforts) to within your Territory to ensure our compliance with this protection. This means, among other things, that you must not place yellow page or similar business directory advertising, in print or electronic form, in any directories outside your Territory, except in cases where a directory covers a broader area than the Territory, in which case advertising will be limited to that portion of the directory dedicated to your Territory, without our prior

written consent. You may not solicit business by direct mail or telephone outside of your Territory without our prior written approval.

With our prior written consent, you may provide services using the System in an area outside your Territory; provided, the services are not performed in an area granted to another franchisee as a territory or in an area reserved by us as a territory for a Company-Owned store. If you perform services in a territory granted to another franchisee or reserved by us without our prior written consent, you must pay to the other franchisee or to us, as applicable, 15% to 50% of your Gross Receipts from providing these services and, at our discretion, your Franchise Agreement may be terminated.

We and our affiliates may do any of the following in your Territory:

- provide for subcontracting or compensation from one franchisee to another for work that is obtained by one franchisee and is to be performed in another franchisee's territory;
- sell or authorize other franchisees to sell to national and regional accounts located in your Territory; operate and grant others the right to operate, within your Territory, similar businesses under trade names and trademarks other than our current Trademarks if we acquire these businesses; and
- distribute products identified by the Trademarks, including the marks “Marblelife”, “StoneLife”, “Interlok”, “InterCare,” “Perfector”, “TileLok” and “EnduraCrete”, not only through your Franchised Business and other Marblelife franchisees, but also through any other distribution method that may be established within your Territory, such as hardware stores.

If (i) within one year of the date of the Franchise Agreement you have not completed concrete training and started offering concrete services or (ii) you cease to offer and provide concrete services, we may, in our sole discretion, terminate, modify or reduce the area of any territorial rights granted to you for concrete services.

If (i) within one year of the date of the Franchise Agreement you have not completed grout training and started offering grout services or (ii) you cease to offer and provide grout services, we may, in our sole discretion, terminate, modify or reduce the area of any territorial rights granted to you for grout services.

If (i) within one year of the date of the Franchise Agreement you have not completely VinylGuard training and started offering VinylGuard services or (ii) you cease to offer and provide vinyl services, we may, in our sole discretion, terminate, modify or reduce the area of any territorial rights granted to you for vinyl services.

If (i) within one year of the date of the Franchise Agreement you have not started offering and providing both commercial and residential stone-care services or (ii) you cease to offer and provide both commercial and residential stone-care services, we may, in our sole discretion, terminate, modify or reduce the area of any territorial rights granted to you pertaining to stone-care services in the commercial or residential market, as applicable, not being served by you.

You must use your best efforts to develop business in and throughout your Territory. Except as described above, you do not have to meet specific sales volumes, market penetration or other conditions to continue your franchise rights in your Territory as long as you pay the minimum royalty required for each Territory. You will not have any options, rights of first refusal or similar rights to acquire additional franchises within any specified territory or any contiguous territory.

We reserve the right to adopt policies to provide for subcontracting or compensation from one franchisee to another for work that is obtained by one franchisee and is to be performed in another franchisee's territory. We reserve to ourselves the exclusive right to solicit sales and sell services under the Mark to national and regional accounts located within the Territory. We may allocate any part of the business related to such accounts to itself or to or among any Marblelife franchisees in its sole discretion. We have

the exclusive right, but not the obligation, to negotiate agreements with national accounts for the provision of goods and services by all System franchisees. We reserve the right to assign such services to another franchisee, one of our affiliates, or service the national account ourselves either inside or outside your Territory.

We reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Territory using the Marks. Although we have not done so, we also reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Territory of products or services under trademarks different from the ones you will use under the Franchise Agreement. We are not required to pay you any compensation for soliciting or accepting orders from inside the Territory.

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark, which business sells or will sell goods or services similar to those you will offer.

**ITEM 13  
TRADEMARKS**

We have registered and/or renewed the following principal Marks with the U.S. Patent and Trademark Office (“PTO”) on the Principal Register, and all required affidavits have been filed:

<b>Mark</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>International Class</b>
Marblelife (Standard Character)  <b>MARBLELIFE</b>	2544789	March 5, 2002  Renewed: June 12, 2021	37
InterCare (Standard Character)  <b>INTERCARE</b>	2553738	March 26, 2002  Renewed: July 3, 2011	03
EnduraCrete (Standard Character)  <b>ENDURACRETE</b>	2510401	November 20, 2001  Renewed: May 19, 2021	37

There is no presently effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the trademarks which is relevant to their ownership, use, or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Trademarks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Trademarks in any manner material to the franchise.

You may use only the Trademarks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, “®”, “™”, or “SM”, as appropriate. You may use the

Trademarks only for the operation and promotion of the Franchised Business and only in the manner we prescribe. You cannot use a name or mark as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use the Trademarks or any part or derivative of the Mark on the Internet, except as expressly permitted in writing. This prohibition includes use of the Trademarks or any derivative of the Trademarks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking web site (such as FACEBOOK, INSTAGRAM, or TWITTER, whether or not such social media platform is used for commercial gain) or as part of any unauthorized email address. You may not use the Trademarks to sell an unauthorized product or service. You may not contest ownership or validity of the Trademarks or any registration of the Trademarks or our right to use or to sublicense the use of the Trademarks. You must sign all documents that we require to protect the Trademarks and to maintain their validity and enforceability.

You have no rights in our Trademark and cannot contest our rights to our Trademarks or trade secrets.

You must promptly notify us of any unauthorized use of the Trademarks or any name or trademark confusingly similar to the Trademarks or any claim or litigation against you involving the Trademarks. We may, in our discretion, take any action necessary to protect the Trademarks. We have the right to control any actions involving the Trademarks, although you must cooperate fully in those actions. We are not required to defend you or pay for your expenses or damages if you are a party to an administrative or judicial proceeding involving the Trademarks or if you incur liability in the proceeding.

We have the right to designate one or more new, modified and/or replacement Trademarks for your use and to require you to use the new, modified or replacement Trademarks in addition to or in lieu of any previously designated Trademarks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change.

#### **ITEM 14**

#### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or pending patent applications that are material to the Franchised Business.

There are no registered copyrights that are material to the franchise, but we claim copyright protection in many elements of the system including the design portion of our trademarks, the content of our website and advertising materials, and the content of our Manuals and other written directives concerning the development, management, and operation of a Franchised Business.

You must treat the Manuals and any other manuals we create or approve for use in your operation of the Franchised Business, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, record, or reproduce these materials in any manner, or make them available to any unauthorized person. The Manuals remain our sole property. We may revise the contents of the Manuals and you must comply with each new or changed standard.

You and each of your owners are prohibited, during and after the term of the Franchise Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of the Franchise Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business that may be communicated to you or any of your owners or that you may learn about, including these trade secrets. You and each of your owners can divulge this confidential information only to your employees who must have access to it to operate the Franchised Business. All franchise employees, agents or representatives are required to sign a confidentiality, non-competition, and non-solicitation agreement to protect system methods, processes and other trade secrets and know-how. It is your responsibility to secure this confidentiality, non-competition, and non-solicitation agreement, attached to the Franchise Agreement as Schedule G (“Confidentiality Agreement”), from each employee, agent, or representative before their starting with your company.

Neither you nor your owners are permitted at any time, without first obtaining our written consent, to copy, record or reproduce in any manner the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manuals, plans and specifications, marketing information and strategies, and techniques, are considered confidential.

Each of your owners must execute Schedules C and G to the Franchise Agreement agreeing to abide by the confidentiality, non-competition, and non-solicitation provisions in the Franchise Agreement. You must have all your employees, agents, and representatives sign the Confidentiality Agreement. If one of your employees discloses confidential information, and you have not had that employee sign a Confidentiality Agreement, you may be liable to us for damages. In addition, each Confidentiality Agreement for each of your employees must be submitted to us so that we may keep it in our records. Any failure on our part to request a copy of your employee documentation will not discharge your responsibility to secure all documents as a condition of employment, unless we have indicated otherwise to you in writing.

#### **ITEM 15**

##### **OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

At least one owner (as defined in the franchise agreement) and one other employee must have successfully completed to our satisfaction our initial training program, before you may begin operations of the franchised business. We do not require that you or your owners, if you are a legal entity, personally supervise the Franchised Business. However, we encourage you and your owners to devote your full time and best efforts to the operation of the Franchised Business. Your designated on-premises supervisor is not required to own an equity interest in the franchise. You and your designated supervisor must not have an interest or business relationship with any of our competitors. You must have on site, when work is being performed, at least one person who has the minimum technical training and the skills that we specify. If you are a sole proprietor your spouse must also sign our Continuing Guaranty of Obligations under the Franchise Agreement. If you are a legal entity, your owners must personally guarantee all of your obligations to us. A copy of our Continuing Guaranty of Obligations under the Franchise Agreement is attached as Schedule C to the Franchise Agreement.

#### **ITEM 16**

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

You must offer and sell all goods and services that we require, and may offer and sell only those goods and services that we have authorized or approved in writing. You may not use treatments or coatings other than those specifically authorized or supplied by us. You may not install any type of surface in your capacity as a franchisee, except minor replacements and repairs or overlayments, as applicable. You must offer all products and services specified by us that we require for all franchisees. We may add new authorized products and services. The Franchise Agreement does not limit our right to do so.

You are subject to marketing restrictions and we may adopt policies regarding work performed in other franchisees' territories. We also reserve rights regarding soliciting sales or selling services to national or regional accounts.

We have the right to hire a salesman covering your Territory on a commission basis, however, the salesman will be required to coordinate with you on job costing before submitting his bid. You will not be required to honor any bid submitted with a costing that diverts from our recommendations. If a national or regional account is bid, and you opt not to do the service at the price quoted, we will have the right and option to arrange for this service to be performed by another franchisee, corporate office or us to maintain or develop the national or regional relationship.

**ITEM 17**

**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 7.1(a)	10 years
b. Renewal or extension of the term	Section 7.1(b)	One additional 10-year term
c. Requirements for franchisee to renew or extend	Section 7.1(b)	To renew you must provide notice, be in compliance, sign the then current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement, and will exclude any renewal right or any provision for a term longer than 10 years) and upgrade, pay renewal fee and sign a release (see State Amendments to disclosure document and Franchise Agreement)
d. Termination by franchisee	No provision	Not applicable
e. Termination by franchisor without “cause”	No provision	Not applicable
f. Termination by franchisor with “cause”	Sections 7.2(a)	If you breach the Franchise Agreement (or any other agreement between you and us) and you fail to cure, if the breach is not curable, or if you commit any one of several listed breaches.
g. “Cause” defined—curable defaults	Section 7.2(a)	You have a reasonable time to cure, which will not exceed 30 days
h. “Cause” defined—non-curable defaults	Section 7.2(b)	Non-curable defaults: material misrepresentation; failure to attend initial training; failure to open the business on time; breach of noncompetition requirement or requirements relating to proprietary rights or transfers; conviction of a crime; abandonment; bankruptcy or assignment for creditors; inappropriate marketing efforts; you, your personnel, or your owners convicted of a felony, or any other offense that we deem as likely to adversely affect the franchised business; your voluntary abandonment of the franchised business; your repeated failure to comply with one or more of the material requirements of the



<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		Franchise Agreement; and/or your insolvency or inability to pay debts as they become due
i. Franchisee’s obligations on termination/non-renewal	Section 7.3	Complete de-identification, transfer of business, electronic and hard file transfer of all customer lists and contact information to franchisor, electronic and hard file transfer of the entire accounting file to franchisor, payment of amounts due, return of the Manuals and other proprietary materials
j. Assignment of contract by franchisor	Section 6.3	No restriction on our right to assign
k. “Transfer” by franchisee—defined	Section 6.2	Includes transfer of Franchise Agreement or interest in the corporation or other business entity that owns the franchise
l. Franchisor approval of transfer by franchisee	Section 6.2(c)	All transfers are subject to our approval
m. Conditions for franchisor approval of transfer	Section 6.2	Purchaser qualifies, all amounts are paid, transfer fee paid, 5% of price escrowed for warranty claims, training arranged, then current form of franchise agreement (but only for remaining term of your Franchise Agreement and contains no greater renewal right than your Franchise Agreement) signed by purchaser, and purchaser signs a general release (see State Amendments to disclosure document and Franchise Agreement)
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 6.2(d)	60 days from time of receipt of notice and information
o. Franchisor’s option to purchase franchisee’s business	Section 6.2(d)	You must transfer your business to us upon termination or expiration of the Franchise Agreement
p. Death or disability of franchisee	Section 6.2(h)	Estate may transfer in accordance with our procedures
q. Non-competition covenants during the term of the franchise	Section 2.5	You are prohibited from operating or having an interest in a similar business
r. Non-competition covenants after the franchise is terminated or expires	Section 2.5	You and your Owners are prohibited for 2 years from operating or having an interest in a similar business that is located, or is intended to be located within 10 miles of your Territory or the territory of any other franchisee or Company-Owned Business.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
s. Modification of the agreement	Section 9.11	No modifications unless in writing and signed by both parties, but we may change the trademarks, products and procedures without agreement
t. Integration/merger clause	Section 9.10	Only the terms of the Franchise Agreement and other agreements signed at the same time are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any other related written agreement is intended to disclaim representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 9.9	Claims, controversies or disputes from or relating to the Franchise Agreement must be mediated, except for collection actions or actions seeking injunctive or extraordinary relief.  Disputes, other than those for collections or injunctive or extraordinary relief, will be resolved by arbitration.
v. Choice of forum	Section 9.9	Litigation must be in Dallas, Texas (subject to state law)
w. Choice of law	Section 9.9	Texas law applies (subject to state law)

#### **ITEM 18**

#### **PUBLIC FIGURES**

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

#### **ITEM 19**

#### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this 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.

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The following tables provide total annual average Gross Receipts,<sup>1</sup> achieved by US Marblelife franchisees that were open for the periods 2018, 2019, 2020, and 2021.

	2018				2019				2020				2021			
	Average	%	Median	# Units that Met or Exceeded the Average	2019	%	Median	# Units that Met or Exceeded the Average	2020	%	Median	# Units that Met or Exceeded the Average	2021	%	Median	# Units that Met or Exceeded the Average
<b>0-Bolt-On<sup>2</sup></b>	\$139,962	N/A	\$132,088	2	\$129,167	-8%	\$147,095	3	\$120,649	-7%	\$127,240	2	\$182,239	51%	\$214,011	3
<b>1-Man3<sup>3</sup></b>	\$160,000	N/A	\$152,854	1	\$86,143	-46%	\$121,892	1	\$106,783	16%	\$80,175	2	\$168,096	54%	\$137,558	4
<b>2-Sales-Plus<sup>4</sup></b>	\$178,828	N/A	\$189,004	4	\$172,041	-4%	\$173,563	3	\$194,330	13%	\$192,585	3	\$274,745	41%	\$245,048	3
<b>3-Building-A-Business<sup>5</sup></b>	\$306,914	N/A	\$400,255	5	\$324,130	6%	\$341,525	7	\$318,977	-6%	\$350,460	6	\$438,723	43%	\$515,335	7
<b>4-GM<sup>6</sup></b>	\$594,831	N/A	\$301,997	3	\$751,280	26%	\$300,000	3	\$502,889	-20%	\$300,000	3	\$574,992	13%	\$302,111	3
<b>Total US<sup>7</sup></b>	<b>\$8,124,025</b>	<b>N/A</b>		<b>8</b>	<b>\$8,480,914</b>	<b>4%</b>		<b>10</b>	<b>\$7,857,047</b>	<b>-4%</b>		<b>10</b>	<b>\$12,207,275</b>	<b>54%</b>		<b>11</b>

The following tables provide median Gross Receipts,<sup>1</sup> achieved by Marblelife franchisees that were open for the periods 2018, 2019, 2020, and 2021.

	2018		2019		2020		2021	
	Median	# Units that Met or Exceeded the Median	Median	# Units that Met or Exceeded the Median	Median	# Units that Met or Exceeded the Median	Median	# Units that Met or Exceeded the Median
<b>0-Bolt-On<sup>2</sup></b>	\$132,088	2	\$147,095	2	\$127,240	2	\$214,011	2
<b>1-Man3<sup>3</sup></b>	\$152,854	1	\$121,892	2	\$80,175	2	\$137,558	3
<b>2-Sales-Plus<sup>4</sup></b>	\$189,004	3	\$173,563	3	\$192,585	3	\$245,048	4
<b>3-Building-A-Business<sup>5</sup></b>	\$400,255	5	\$341,525	5	\$350,460	5	\$515,335	6
<b>4-GM<sup>6</sup></b>	\$301,997	3	\$300,000	3	\$300,000	3	\$302,111	3

Notes:

Note 1. “Gross Receipts” means all cash receipts and credits or other payments instead of cash (like bartering transactions) from the sale of goods or services, which are part of the Franchised Business or bear the Trademarks. Gross Receipts do not include the amount of separately stated sales taxes or the proceeds from the sale of capital assets not in the ordinary course of business.

Note 2. “0-Bolt-On” is an established janitorial or carpet cleaning business that is not affiliated with Marblelife that has supplementary MARBLELIFE franchise in order to add stone restoration and hard surface enhancement services to its existing business offerings. This business is not relying exclusively on its MARBLELIFE franchise for their income.

Note 3. “1-Man” is a MARBLELIFE franchise that is operated by a single person who may or may not utilize a helper.

Note 4. “2-Sales-Plus” is a franchise with an owner is focused on sales, and is supported with a team of one to four technicians.

Note 5. “3-Building-A-Business” is a franchise that has hired office staff and is focused on commercial sales with a salesperson handling residential sales, and supported with a team of craftsmen.

Note 6. “4-GM” is a franchised business that has installed a General Manager, where the owner is not involved in the day-to-day operations of the franchise

Note 7. “Total” represents the total average Gross Receipts for units that were open for full 12-months. The data includes Gross Receipts for 26 units in the year 2018, 27 units in the year 2019, 28 units in the year 2020, and 34 units in the year 2021, operated by US based Marblelife franchisees.

Note 8: Marblelife franchised outlets were impacted by the state and local mandatory restrictions in response to COVID-19 in the year 2020, as reflected in the tables above.

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

Your franchise sales will be directly affected by a number of factors, like the brand recognition of MARBLELIFE in the market, competition in the market, the quality of management and service at the Marblelife franchise, and your pricing decisions. Other factors may also affect sales at your Marblelife franchise. Therefore, you should use this data only as a reference to help you conduct your own analysis.

This financial performance representation does not reflect any costs of sales, operating expenses, and other costs or expenses that you will incur in operating your franchised business, including the royalty fees and advertising expenditures that you must pay under the terms of the Franchise Agreement. Additionally, this financial performance representation does not include debt service that you may incur, nor does it include any information about federal, state, or local taxes you will be required to pay.

We have written substantiation in our possession to support the information appearing in this Item 19, and this information will be made available to you on reasonable request.

Other than the information contained in this Item 19, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of future income, you should report it to the franchisor’s management by contacting Alan Mayr, 2800 W. Airport Blvd., Sanford, Florida 32771, (407) 302-9297, Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Fiscal Years Ended March 31, 2019, 2020 and 2021**

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2019	34	34	0
	2020	34	40	+6
	2021	40	41	+1
Company-Owned	2019	6	6	0
	2020	6	0	-6
	2021	0	0	0
Total Outlets	2019	40	40	0
	2020	40	40	0
	2021	40	41	+1

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)**  
**For Fiscal Years Ended March 31, 2019, 2020 and 2021**

State	Year	Number of Transfers
Alabama	2019	1
	2020	0
	2021	0
Illinois	2019	1
	2020	0
	2021	0
Michigan	2019	1
	2020	0
	2021	0
Texas	2019	0
	2020	0
	2021	1
Total	2019	3
	2020	0
	2021	2

**Table No. 3**  
**Status of Franchised Outlets**  
**For Fiscal Years Ended March 31, 2019, 2020 and 2021**

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	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
California	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
Connecticut	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
District of Columbia	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Florida	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	1	0	0	0	0	7
Georgia	2019	2	0	0	0	0	0	2
	2020	2	0	0	1	0	0	1
	2021	1	0	0	0	0	0	1
Illinois	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Indiana	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Kentucky	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	1	1
Louisiana	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Massachusetts	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Michigan	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Minnesota	2019	1	1	0	0	1	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
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Missouri	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	1	1
Nebraska	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Nevada	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	1	0
North Dakota	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
Oregon	2019	1	0	0	0	0	0	1
	2020	1	0	0	1	0	0	0
	2021	0	0	0	0	0	0	0
Pennsylvania	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
South Carolina	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Tennessee	2019	1	1	0	0	1	0	1
	2020	1	0	0	1	0	0	0
	2021	0	1	0	0	0	0	1
Texas	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	2	0	0	0	1	4
Utah	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Washington	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Total	2019	34	2	0	0	2	0	34
	2020	34	9	0	3	0	0	40

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2021	40	5	0	0	0	4	41

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Fiscal Years Ended March 31, 2019, 2020 and 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Minnesota	2019	0	0	1	0	1	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
New Jersey	2019	2	0	0	0	0	2
	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
Pennsylvania	2019	2	0	0	0	0	2
	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
Tennessee	2019	2	0	1	0	1	2
	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
Total	2019	6	0	2	0	2	6
	2020	6	0	0	6	0	0
	2021	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings as of March 31, 2021**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Kansas	0	1	0
New York	0	2	0
Oregon	0	1	0
Virginia	1	1	0
Total	1	6	0

Reflected on Exhibit D is a list of the names of all franchisees and the addresses and telephone numbers of their franchises as of March 31, 2021. Reflected on Exhibit E is a list of the name and last known home address and telephone number of every franchisee who has had a franchise terminated, canceled, renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our



fiscal year ended March 31, 2021, or who has not communicated with us within 10 weeks of the date of this disclosure document.

Franchisees have signed confidentiality clauses during our last three fiscal years. In some circumstances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with our System. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. We do not have a franchise advisory board.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

Attached as Exhibit F are our:

(a) unaudited balance sheet as of December 31, 2021 and related unaudited P&L for the period April 1, 2021 to December 31, 2021 **THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM;** and

(b) audited financial statements for fiscal years ended March 31, 2021, March 31, 2020, and March 31, 2019, and the related statements of income, retained earnings, and cash flows for the years then ended.

## **ITEM 22**

### **CONTRACTS**

The following contracts are attached to this disclosure document:

Exhibit C-1 Franchise Agreement with all Schedules

Exhibit H General Release (Sample Form Only)

Exhibit I Franchise Disclosure Questionnaire

## **ITEM 23**

### **RECEIPT**

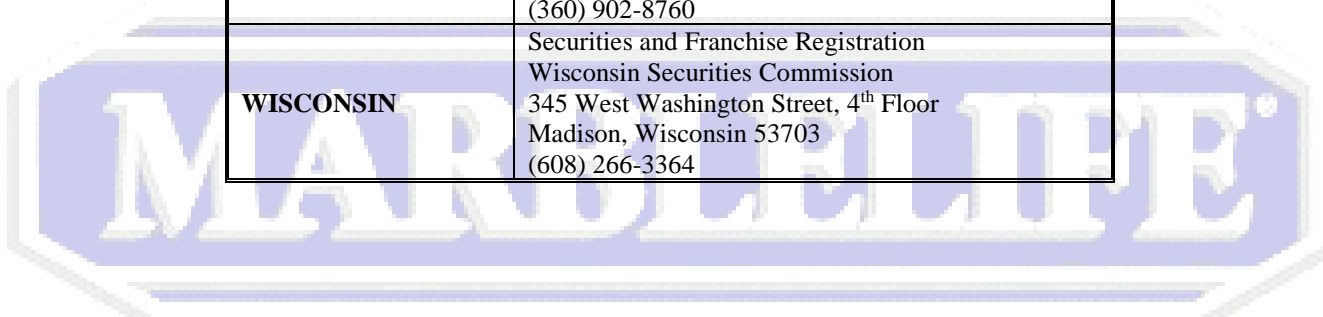
Exhibit L, the last page of this disclosure document, is a detachable document acknowledging receipt of this disclosure document by you.



**LIST OF STATE ADMINISTRATORS**

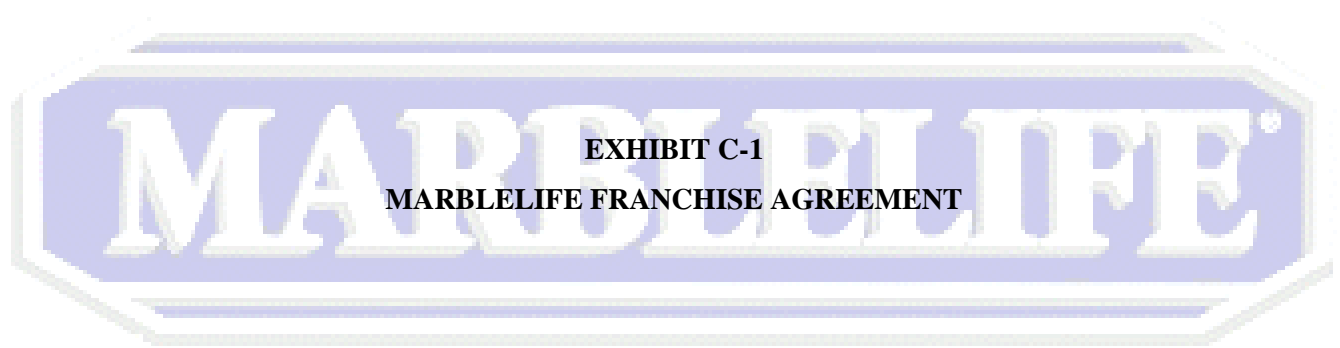
<b>STATE</b>	<b>STATE ADMINISTRATOR</b>
<b>CALIFORNIA</b>	Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
<b>HAWAII</b>	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722
<b>ILLINOIS</b>	Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<b>INDIANA</b>	Franchise Section Indiana Securities Division 302 West Washington Road, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<b>MICHIGAN</b>	Michigan Department of Attorney General Consumer Protection Division Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48909 (517) 373-1837
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500
<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, New York 10005 (212) 416-8285
<b>NORTH DAKOTA</b>	North Dakota Securities Department 600 East Blvd. Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712

STATE	STATE ADMINISTRATOR
<b>RHODE ISLAND</b>	Securities Division Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, Rhode Island 02920 (401) 462-9585
<b>SOUTH DAKOTA</b>	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, Virginia 23219 (804) 371-9051
<b>WASHINGTON</b>	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760
<b>WISCONSIN</b>	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4 <sup>th</sup> Floor Madison, Wisconsin 53703 (608) 266-3364





<b>STATE</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>CALIFORNIA</b>	Commissioner of Financial Protection and Innovation Department of Business Oversight 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013
<b>HAWAII</b>	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
<b>ILLINOIS</b>	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706
<b>MARYLAND</b>	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021
<b>MINNESOTA</b>	Minnesota Department of Commerce Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101
<b>NEW YORK</b>	New York Secretary of State 99 Washington Avenue Albany, New York 12231
<b>TEXAS</b>	Gerald "Ed" Williams 2130 Estes Park Drive Allen, Texas 75013
<b>VIRGINIA</b>	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219
<b>WISCONSIN</b>	Administrator, Division of Securities Department of Financial Institutions 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703



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**FRANCHISE AGREEMENT  
SUMMARY PAGES**

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

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

**FRANCHISEE  
ADDRESS FOR NOTICES:** \_\_\_\_\_

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

**FACSIMILE NUMBER:** \_\_\_\_\_

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

**FRANCHISE LOCATION:** \_\_\_\_\_

**TERRITORY:** Refer to Schedule A

**INITIAL FRANCHISE FEE:**  \$29,900 or  \$ \_\_\_\_\_

**ROYALTY FEE:** Refer to Section 3.2

**ADVERTISING FEE:** 2% of Gross Receipts, each week (refer to Section 3.2.(c))

**LOCAL MARKETING FEE:** 4% of Gross Receipts, each calendar quarter (refer to Section 2.4)

**RENEWAL FEE:** 20% of the initial franchise fee stated above (refer to Section 7.1.(b))

**TRANSFER FEE:** \$7,500, plus Franchisor's reasonable costs and expenses (refer to Section 6.2(f))

**OPENING DATE:** \_\_\_\_\_

**MARBLELIFE, INC.  
ADDRESS FOR NOTICE:** Marblelife, Inc.  
2800 W. Airport Blvd.  
Sanford, Florida 32771  
Attention: President  
Fax: 866-334-5387

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**MARBLELIFE  
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “**Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_\_ (“**Effective Date**”), between Marblelife, Inc., a Texas corporation with offices at 2800 W. Airport Blvd., Sanford, Florida 32771 (“**Franchisor**”), and \_\_\_\_\_, a \_\_\_\_\_ with offices at \_\_\_\_\_ (“**Franchisee**”).

**Preamble**

A. Franchisor has developed a distinctive business format offering the restoration, maintenance, cleaning, repair and care of concrete, marble, granite, ceramic, vinyl, and other types of inorganic and organic surfaces, the repair, cleaning, grinding, polishing, staining, sealing, coating, and densifying of concrete surfaces, and the sale of treatments and coatings for such surfaces (including quarried and dimensional stone, tile and man-made aggregates such as concrete, terrazzo, brick, and grout), the use of certain treatments and coatings for such surfaces, which treatments and coatings include proprietary and non-proprietary chemicals, abrasives, equipment and techniques, and the use of proprietary and non-proprietary marketing methods, operations, administrative systems, promotional programs, advertising, training programs, business and reporting forms, bookkeeping and accounting materials and techniques, and computer software. This business format is hereinafter referred to as the “**System**.”

B. The System is marketed under the “MARBLELIFE” service mark, as it may be modified in accordance with Section 1.4(a) below (the “**Mark**”). The Mark is owned by Franchisor. In addition to the Mark, which is used in conjunction with the services sold by Marblelife franchisees, Franchisor owns various trademarks under which Franchisor or its affiliates sell products to Marblelife’s franchisees, and under which Franchisor and its franchisees sell such products to consumers, including but not limited to the marks “Marblelife,” “EnduraCrete,” “StoneLife,” “Interlok,” “InterCare,” and “Perfector.”

C. Franchisee has applied for the right and license to operate a business under the System and Mark (“**Franchised Business**”) within the geographic areas described in Schedule A hereto (whether one or more, the “**Territory**”), and Franchisor desires to grant such right and license in reliance on the representations made in Franchisee’s application, upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration for the mutual promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I - GRANT OF RIGHTS**

**Section 1.1 - Grant.**

(a) *Grant of Rights.* Franchisor hereby grants to Franchisee, upon the terms and subject to the conditions of this Agreement and subject to the reservations set forth in Section 1.3, the right to operate a business under the Mark, in the non-exclusive Territory, using the System.

(b) *Limitations.* Franchisee shall offer the service of restoration, maintenance, cleaning, repair and care of marble, granite, concrete, ceramic, vinyl and other types of organic and inorganic surfaces, the service of repair, cleaning, grinding, polishing, staining, sealing, coating, and densifying of concrete surfaces, and the sale of treatments and coatings for such surfaces (including quarried and dimensional stone, tile and man-made aggregates such as concrete, terrazzo, brick and grout), only under the Mark and only in accordance with the procedures, specifications, and requirements of the System. Except as provided in this Section 1(b), Franchisee shall not use the System or the Mark except in the Territory in accordance

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with the terms and conditions of this Agreement. Nothing herein grants to Franchisee any right to manufacture products under any of the trademarks owned by Franchisor.

### **Section 1.2 - Non-Exclusivity.**

(a) *No Marketing Outside the Territory.* Franchisee shall confine its marketing efforts to the Territory and shall not market or solicit customers outside the Territory without the Franchisor's prior written consent. Without limiting the generality of the foregoing, Franchisee agrees not to place Yellow Page or similar business directory advertising in directories outside of the Territory except in cases where a directory covers a broader area than the Territory, in which case advertising will be limited to that portion of the directory dedicated to the Territory. Franchisee agrees not to make solicitations by direct mail or telephone outside of the Territory without the Franchisor's prior written consent. Franchisee acknowledges that the restrictions set forth in this Section 1.2(a) are reasonably necessary to encourage all Marblelife franchisees to fully develop the Marblelife business within their own territories and are for the benefit of the entire Marblelife System.

(b) *Services Outside the Territory.* Without limiting the restrictions in Section 1.2(a) hereof, with Franchisor's prior written consent, which may be granted, withheld or revoked in its sole discretion, Franchisee may provide services using the System and the Mark in an area outside Territory provided, the services are not performed in an area granted to another franchisee as a territory pursuant to an agreement between Franchisor and such franchisee or an area reserved by Franchisor as a territory for a Company-Owned Business (as defined herein). If Franchisee performs services in a territory granted to another franchisee or reserved by Franchisor, Franchisee shall be required to pay to the other franchisee or to Franchisor, as applicable, fifteen percent (15%) to fifty percent (50%) of its Gross Receipts (as such term is defined in Section 3.2(d)) from such services as determined by Franchisor in its sole discretion and, if such services are performed without Franchisor's written consent or after such consent is revoked, shall be subject to the termination provisions of Section 7.2(b)(iv) at the option of Franchisor.

(c) *No Exclusivity.* Franchisor is not granting Franchisee an exclusive territory. If, after a period of time, Franchisor determines (at its sole discretion) that Franchisee is not or is unable to service the entire Territory, Franchisor reserves the right to place another MARBLELIFE franchisee or a Company-Owned Business (defined below) within the Territory. Before placing another franchisee or a Company-Owned Business within the Territory, Franchisor shall provide Franchisee with written notice containing a 30-day period to cure its deficiencies. If, at the end of the 30-day period, Franchisee has not cured the deficiencies to Franchisor's satisfaction, Franchisor may, but is not required to, place another franchisee or a Company-Owned Business within the Territory or allow another franchisee or Company-Owned Business to service the Territory.

### **Section 1.3 - Reservations.**

(a) *National Accounts.* Franchisor reserves the right to adopt policies to provide for subcontracting or compensation from one franchisee to another for work that is obtained by one franchisee and is to be performed in another franchisee's territory. Franchisor reserves to itself the exclusive right to solicit sales and sell services under the Mark to national and regional accounts located within the Territory. Franchisor may allocate any part of the business related to such accounts to itself or to or among any Marblelife franchisees in its sole discretion. Franchisor has the exclusive right, but not the obligation, to negotiate agreements with national accounts for the provision of goods and services by all System franchisees. Franchisor reserves we reserve the right to assign such services to another franchisee, one of Franchisor's affiliates, or service the national account themselves either inside or outside franchisee's Territory.

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(b) *Company-Owned Businesses.* Franchisor reserves to itself the right to own and operate in any area outside the Territory a business (“**Company-Owned Business**”) using the Marks and the System and to designate a company-owned territory for the operation of such business. Franchisee is prohibited from providing services within the area designated by Franchisor as a company-owned territory. If services are rendered within a territory reserved for a Company-Owned Business, Franchisee will be subject to the provisions of Section 1.2(b).

(c) *Competitive Acquisitions.* If the Franchisor or its affiliate acquires a business offering the service of restoration, maintenance, cleaning, repair or care of marble, granite, concrete, ceramic, vinyl or other types of organic and inorganic surfaces or the service of repairing, cleaning, grinding, polishing, staining, sealing, coating, or densifying of concrete surfaces, Franchisor retains the right, in its discretion, to operate and grant others the right to operate, within the Territory, a business offering the above services under trade names, service marks, and trademarks other than the Mark.

(d) *Sale of Products.* Franchisor reserves to itself the right to distribute products identified by Marblelife trademarks, including but not limited to the marks “Marblelife,” “EnduraCrete,” “StoneLife,” “Interlok,” “InterCare,” and “Perfector,” not only through its franchisees, but also through any other distribution method that may be established from time to time, both within and outside of the Territory.

(e) *Concrete.* If (i) within one year of the date of this Agreement Franchisee has not completed concrete training and started offering concrete services or (ii) Franchisee ceases to offer and provide concrete services, Franchisor may, in its sole discretion, terminate, modify or reduce the area of any territorial rights granted to Franchisee with respect to concrete services. Franchisee waives all claims against Franchisor arising out of or related to any termination, modification or reduction of the territorial rights.

(f) *Grout.* If (i) within one year of the date of this Agreement Franchisee has not completed grout training and started offering grout services or (ii) Franchisee ceases to offer and provide grout services, Franchisor may, in its sole discretion, terminate, modify or reduce the area of any territorial rights granted to Franchisee with respect to grout services. Franchisee waives all claims against Franchisor arising out of or related to any termination, modification or reduction of the territorial rights.

(g) *Vinyl.* If (i) within one year of the date of this Agreement Franchisee has not completed VinylGuard training and started offering vinyl services or (ii) Franchisee ceases to offer and provide vinyl services, Franchisor may, in its sole discretion, terminate, modify or reduce the area of any territorial rights granted to Franchisee with respect to vinyl services. Franchisee waives all claims against Franchisor arising out of or related to any termination, modification or reduction of the territorial rights.

(h) *Commercial or Residential Services.* If (i) within one year of the date of this Agreement Franchisee has not started offering and providing both commercial and residential stone-care services or (ii) Franchisee ceases to offer and provide both commercial and residential stone-care services, Franchisor may, in its sole discretion, terminate, modify or reduce the area of any territorial rights granted to Franchisee with respect to stone-care services in the commercial or residential market, as applicable, not being served by Franchisee. Franchisee waives all claims against Franchisor arising out of or related to any termination, modification or reduction of the territorial rights.

#### **Section 1.4 - Modifying the Mark.**

Franchisor shall have the right to modify or change the Mark from time to time upon written notice to Franchisee specifically referring to this Agreement and describing such modifications or changes. Such right shall include the right to use a mark that is entirely different from “Marblelife” and the right to add

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one or more logos and other marks. Franchisee agrees, upon notice from Franchisor, within reasonable time to regard each such modified, changed, new, or additional mark as being within (and all others excluded from) the definition of “Mark” hereunder and to adopt and use each such mark at Franchisee’s expense in accordance with the terms and conditions of this Agreement. Franchisor is not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for Franchisee’s expenses in promoting a modified or substitute trademark or service mark.

### **Section 1.5 - The System.**

(a) *Manuals.* The System is described in detail in Franchisor’s confidential manuals, as may be updated from time to time through various means, which Franchisor will provide Franchisee access to at or prior to the commencement of the initial training described in Section 2.1(b) below (the “**Manuals**”). The Manuals contain product and technical information, as well as mandatory and suggested standards, specifications, operating procedures, policies, rules and guidelines prescribed by Franchisor dealing with subjects such as customer service, personnel, advertising, marketing, and accounting and administration. Franchisee shall conduct the operation of the Franchised Business in accordance with the systems, procedures, policies, methods and requirements contained in the Manuals. The Manuals, and all information contained therein, are and will remain at all times the property of Franchisor.

(b) *System and Manuals Modifications by Franchisor.* Franchisor may modify, expand, delete, or change the System and its component parts from time to time, upon notice to Franchisee, when, in Franchisor’s judgment, such modifications or changes will make the System more effective, efficient, economical or competitive, or to adapt it to new conditions or technologies, or to enhance the goodwill inherent in the Mark. Within such parameters, Franchisor may make additions to, deletions from or revisions to the Manuals as Franchisor deems necessary or appropriate, and such additions, deletions and revisions shall become part of the Manuals and shall be binding upon Franchisee immediately after Franchisee’s receipt of such additions, deletions or revisions. Franchisee shall, at all times, ensure that the Manuals in Franchisee’s possession are current and up to date.

(c) *System Modifications by Franchisee.* Franchisee shall make no modifications or changes in its implementation of the System without the prior written approval of Franchisor, which Franchisor may withhold in its discretion. Franchisor shall have the right to use and to offer to its affiliates and other franchisees all System modifications and changes suggested by Franchisee and accepted by Franchisor. To the extent that any such modifications and changes are protectable by law, the rights therein shall belong exclusively to Franchisor. Franchisee hereby assigns all such rights to Franchisor and agrees to sign any documents that Franchisor may reasonably request from time to time to evidence such assignment.

## **ARTICLE II - OPERATIONS**

### **Section 2.1 - Employees and Training.**

(a) *Skilled Employees.* Franchisee shall begin operation with at least one Owner (as herein defined), who shall have completed the initial training program to Franchisor’s satisfaction. An “**Owner**” shall be the sole proprietor, if Franchisee is a sole proprietorship, a partner, if Franchisee is a partnership, a member, if Franchisee is a limited liability company, a shareholder, if Franchisee is a corporation, or any other owner of equity in the entity, if Franchisee is another type of entity. If any “Owner” is, itself, a partnership or other entity, then the term “Owner” includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term “Owner” is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly. Franchisee shall also

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begin its operation with at least one other employee (who may or may not be an Owner), who has completed the initial training program to Franchisor's satisfaction. An Owner and the other employee shall attend training programs for technical, sales and management skills as indicated by Franchisor. Franchisee shall pay the salary, transportation, room, board and other expenses of its personnel being trained. Franchisee shall have on its customers' sites, when performing the services of the Franchised Business, at least one person who has attained the technical training and skill indicated by Franchisor as the minimum skill level to perform the work.

(b) *Initial Training*. Franchisor shall provide Franchisee with two weeks of training for up to three people, including at least one Owner, as set forth in this Section 2.1(b) in the fundamental technical, marketing and managerial skills necessary to operate a business under the System. The training programs shall be conducted at the home office of Franchisor in Sanford, Florida or such other place as Franchisor may designate. At Franchisor's sole discretion, Franchisor may admit additional personnel to the training program and waive any training-related fees. Franchisee shall pay for the salary, food, lodging, and all other travel expenses of Franchisee's personnel attending the training program.

(c) *Concrete Training*. Franchisor shall provide Franchisee with three days of training for up to three people, including one Owner, as set forth in this Section 2.1(c) in the fundamental technical, marketing and managerial skills necessary to provide concrete services under the System. The training programs shall be conducted at the home office of Franchisor in Sanford, Florida or such other place as Franchisor may designate. During the training program, Franchisee personnel will be instructed in the product and technical material contained in the Manuals, including the use of the equipment and techniques employed under the System in repair, cleaning, grinding, polishing, staining, sealing, coating, and densifying concrete surfaces, treatments and coatings for these surfaces, and information about chemicals, abrasives, equipment and techniques. It is the responsibility of Franchisee to pay for the salary, food, lodging and travel expenses of Franchisee's personnel attending the concrete training program. Franchisee may not provide concrete services until the Owner has satisfactorily completed the concrete training.

(d) *Grout Training*. Franchisor shall provide Franchisee with three days of training for up to three people, including at least one Owner, as set forth in this Section 2.1(d) in the fundamental technical, marketing and managerial skills necessary to provide grout services under the System. The training programs shall be conducted at the office of one of the franchisees in Detroit, Michigan, Sanford, Florida or such other place as Franchisor may designate. During the training program, Franchisee personnel will be instructed in the product and technical material contained in the Manuals, including the use of the equipment and techniques employed under the System in repair, maintenance and restoration of grout, and information about chemicals, equipment and techniques. It is the responsibility of Franchisee to pay for the salary, food, lodging and travel expenses of Franchisee's personnel attending the grout training program. Franchisee may not provide grout services until the Owner has satisfactorily completed the grout training.

(e) *VinylGuard Training*. Franchisor shall provide Franchisee with one day of training for up to three people, including at least one Owner, as set forth in this Section 2.1(e) in the fundamental technical, marketing and managerial skills necessary to provide vinyl services under the System. The training programs shall be conducted at Franchisor's office in Sanford, Florida or such other place as Franchisor may designate. During the training program, Franchisee personnel will be instructed in the product and technical material contained in the Manuals, including the use of the equipment and techniques employed under the System in the maintenance and restoration of vinyl; as well as information about chemicals, equipment and techniques. The Franchisee is responsible for the salary, food, lodging and travel expenses

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of Franchisee's personnel attending the vinyl training program. Franchisee may not provide vinyl services until the Owner has satisfactorily completed the Vinyl training.

(f) *Ongoing Training and Support.* Franchisee may send its personnel to the office of Franchisor from time to time, upon prior notice to Franchisor and subject to space availability, to take part in scheduled training at no cost to Franchisee, and Franchisor may require Franchisee to send its personnel to such office from time to time for such training, including the retaking of initial training; provided, however, that Franchisee shall pay the salary, food, lodging and travel expenses of Franchisee's personnel with regard to such training. In addition, Franchisor may schedule field training from time to time at no charge to Franchisee. Franchisor will also provide technical support by phone, e-mail or other electronic services without charge. Upon Franchisee's reasonable request and Franchisee's payment of the related fees and expenses, Franchisor will provide technical field support, subject to the availability of personnel.

(g) *Annual Convention and Other Training Programs.* Franchisee shall cause its Owners and employees designated by Franchisor to attend the annual convention and any advanced, mentor, refresher and other supplemental training programs designated by Franchisor from time to time in its sole discretion. Franchisor reserves the right to charge reasonable fees for such convention and training. Franchisee shall pay the salary, food, lodging and travel expenses of Franchisee's personnel with regard to such convention and training. The parties acknowledge that Franchisee's failure to comply with this obligation will result in an additional cost to Franchisor in conveying to Franchisee the information and training that Franchisee otherwise would have received at the annual convention or training program. Accordingly, in the event Franchisee fails to comply with this Section 2.1(g), Franchisee agrees to pay to Franchisor an administrative fee, not to exceed \$1,000, which the parties agree is a reasonable estimate of Franchisor's costs and not a penalty.

(h) *Employment Policies.* Franchisor does not exercise any direction or control over the employment policies or employment decisions of Franchisee. All employees of Franchisee are solely employees of Franchisee, not Franchisor. Franchisee is not Franchisor's agent for any purpose in regard to Franchisee's employees or otherwise. Franchisee is exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging Franchisee's employees. Franchisee is exclusively responsible for labor relations with its employees and for complying with all applicable state and federal laws applicable to its employees.

## **Section 2.2 - Vehicles, Uniforms, Telephones, E-mail Addresses, and Office Location**

(a) *Vehicle Acquisition and Maintenance.* Franchisee shall acquire and maintain at Franchisee's sole expense, one or more vans, trucks or trailers ("**Vehicle**") for use in connection with the Franchised Business. Each Vehicle shall be less than five years old at the time of acquisition, in excellent condition, and white in color. Before each Vehicle is put into service, Franchisee shall have professionally applied to the Vehicle a decal supplied or specified by Franchisor that shall include the Mark. Each Vehicle shall be equipped and outfitted in accordance with Franchisor's specifications. Franchisee shall maintain the interior, exterior and mechanical parts of each Vehicle in good repair and shall regularly service each Vehicle and keep it clean and in good working order. Franchisee may not hire or use an individual to operate a Vehicle who does not have a valid driver's license under the laws of the location where the Franchise is operated, and each person who operates a Vehicle must agree to comply with all laws, regulations and rules of the road and to use due care in operating and maintaining the Vehicle.

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(b) *Uniforms.* All personnel of Franchisee shall wear a uniform as specified in the Manuals, and shall be prohibited from wearing such uniforms except during and within the scope of an employee's employment.

(c) *Telephones.* Franchisor reserves the right to require Franchisee to use the telephone service provider designated by Franchisor and to participate in any telephone program established by Franchisor for the System from time to time. Franchisee acknowledges that Franchisor may own the telephone numbers in any such program, and Franchisee shall not have any rights in such telephone numbers upon the expiration or termination of this Agreement, including telephone numbers connected to cellular phones. Franchisee acknowledges that it is a requirement of this Agreement that the Franchisee use only telephone numbers registered to the Franchisee to conduct the Franchised Business, and the Franchisee is expressly prohibited from using any residential or personal telephone numbers in association with the Marblelife System. In accordance with Schedule H attached, should any personal, cellular, or residential telephone numbers be found by the Franchisor, acting reasonably, to be associated with the Marblelife System as used by the Franchisee in the conduct of the Franchised Business, then upon termination of this Agreement all such telephone numbers shall become the property of the Franchisor regardless of their personal nature. Franchisee is prohibited from terminating a cellular phone service prior to arranging for and completing transfer of the cellular telephone number to Franchisor.

(d) *E-mail Addresses.* Franchisee will be assigned an email address by Franchisor consisting of the Franchisee's identifier in conjunction with "@marblelife.com" (for example: "Toronto@Marblelife.com"), as more fully described in [Section 2.6\(f\)](#). Franchisee will also be assigned email addresses for their key employees using the marblelife.com domain. Franchisee is expressly prohibited from using any other email address in association with the Marblelife Franchised Business. Should the Franchisee persistently be found to be using a non-Marblelife e-mail address, then the Franchisee will be required to assign such e-mail address to the Franchisor upon receipt of written notice by the Franchisor. Any and all emails associated with the Marblelife Franchised Business will be assigned to the Franchisor upon termination of this Agreement for any reason.

(e) *Office Location.* Franchisee may operate the Franchised Business from a home-based office, or a commercial or industrial location of Franchisee's choosing. Franchisee's office location must be located within the Territory. At all times Franchisee shall (i) keep Franchisor informed of the exact street address (which may not be a Post Office Box or other mail collection service) of the office of the Franchised Business, (ii) maintain a business telephone number for such office, and (iii) maintain the books and records of the Franchised Business at such office.

### **Section 2.3 - Products and Services.**

(a) *Products and Services.* Franchisee shall sell all products and provide all services that Franchisor authorizes and specifies from time to time. Franchisee shall not, without specific written authorization from Franchisor:

(i) sell any products, provide any services or engage in any business other than those designated by Franchisor, or

(ii) use in the Franchised Business any treatments or coatings for the restoration, maintenance, cleaning, repair or care of marble, granite or any other type of inorganic or organic surfaces, or for the repairing, cleaning, grinding, polishing, staining, sealing, coating, or densifying of concrete and terrazzo surfaces, other than treatments and coatings specifically authorized or supplied by Franchisor. If Franchisee, without authorization, uses a supplier of any such treatment

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or coating that is not approved by Franchisor, Franchisee does so entirely at Franchisee's own risk, and such use will constitute a material breach of this Agreement.

The business franchised hereby does not include the installation of any type of surface, with the exception of minor replacements and repairs.

(b) *Supply of Proprietary Products.* Franchisee shall purchase only and all the proprietary products specified by Franchisor, including but not limited to cleaners, coatings and other chemicals, only from Franchisor or suppliers designated in writing by Franchisor. Franchisee shall purchase certain other products specified by Franchisor for use in the establishment and operation of the Franchised Business from suppliers designated or approved in writing by Franchisor. Franchisee recognizes that such uniformity is necessary for the protection of the goodwill inherent in the Mark and for the benefit of all Marblelife franchisees. For the proprietary products required to be purchased from Franchisor, Franchisor will endeavor promptly to fill all orders for the proprietary products placed by Franchisee; provided, however, that Franchisor will not be liable for any delay or default in any shipment. All products, supplies, and equipment sold to Franchisee shall be paid either C.O.D., in advance in cash or by credit card or in such other manner as Franchisor or the supplier shall agree in writing. Franchisee shall pay a material support fee of \$200 per month per technician ("**Material Support Fee**") if Franchisee is not meeting Franchisor's then-current purchasing requirements; however, this Material Support Fee is automatically waived if Franchisee meets Franchisor's purchasing requirements pursuant to this Section 2.3(b). Franchisor reserves the right, in its discretion, to change the formula of the proprietary products and add or remove authorized products and services from time to time. Violation of any part of this Section 2.3 is subject to termination pursuant to Section 7.2. below.

(c) *Other Sources of Supply.* All products, supplies and equipment used by Franchisee in its Franchised Business shall be of high quality. Franchisor shall make available to Franchisee a list of approved sources of the principal supplies to be used in the Franchised Business. If Franchisee desires to purchase products, supplies and equipment, other than proprietary products, from a vendor not on Franchisor's approved list, Franchisee may make a request to Franchisor in writing, together with information about the product or supplier relating to Franchisor's specifications and a sample of the product, supplies or equipment. Franchisor will not unreasonably withhold the approval of such purchases, provided the supplies conform to Franchisor's standards of quality. Franchisor may require that samples from alternate suppliers be delivered to Franchisor or to a designated independent testing laboratory for testing before approval and use. Franchisee shall bear the actual cost of the test by an independent testing laboratory designated by Franchisor.

#### **Section 2.4 - Marketing, Promotion, and Sale.**

(a) *Local Marketing Expenditure.* Franchisee shall use its best efforts to develop business in and throughout the Territory using the System under the Mark so as to achieve optimum sales. Franchisee shall spend an amount equal to at least four percent (4%) of Gross Receipts each calendar quarter ("**Local Marketing Expenditure**") to promote the Franchised Business in the Territory, and shall provide Franchisor evidence of such expenditure no later than thirty (30) days following the end of each calendar quarter. *Local Marketing Expenditure.* Franchisee shall use its best efforts to develop business in and throughout the Territory using the System under the Mark so as to achieve optimum sales. Franchisee shall spend an amount equal to at least four percent (4%) of Gross Receipts each calendar quarter ("**Local Marketing Expenditure**") to promote the Franchised Business in the Territory, and shall provide Franchisor evidence of such expenditure no later than thirty (30) days following the end of each calendar quarter. Additionally, no later than thirty (30) days prior to opening and during the first sixty (60) days of

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operation, Franchisee must conduct a pre-opening and opening internet and print advertising campaign promoting the Franchised Business in the Territory.

(b) *Identifying Materials.* Franchisee shall not market, promote or advertise the System under or in conjunction with any legend or any trademark, trade name, corporate or other name or designation of any kind other than the Mark, except with the prior written approval of Franchisor.

(c) *Marketing Tracking Numbers.* Franchisor has established standard marketing numbers for different forms of marketing materials promulgated by the Franchisor. The Franchisee is required to implement and comply with the use of these marketing tracking numbers in all of its advertising.

(d) *Advertising by Franchisee.* Franchisee shall actively advertise the services and products available through the Franchised Business in a format satisfactory to Franchisor using advertising media that Franchisor believes to be best for the promotion of sales of services and products of the Franchised Business. Without limiting the generality of the foregoing, Franchisee agrees as follows:

(i) All of Franchisee's advertising initiatives, promotional activities and other initiatives and activities with respect to the marketing of the System and the Franchised Business including, but not limited to, the content, and layout of any advertisements or advertising campaigns, point of sale material and sales promotion material, shall either be supplied by Franchisor, purchased from Franchisor or shall require Franchisor's prior written approval.

(ii) Except for artwork and the like supplied by Franchisor, Franchisee shall submit to Franchisor for approval all artwork intended for use by Franchisee in connection with the Franchised Business in print advertisements and sales promotion material, and shall supply Franchisor with the basic format, content and (where appropriate) story-line of all films, video-tapes and other advertising and promotional material which is not in printed form. Franchisor will review all such materials on a case-by-case basis and shall approve the use of such materials when they are satisfactory to Franchisor. Franchisee shall supply to Franchisor a finished copy of all such materials produced by or for Franchisee before they are first used.

(iii) All advertising and promotional materials shall be consistent with and designed to promote the system-wide brand image and advertising and promotional objectives of Franchisor as notified by Franchisor to Franchisee from time to time, and shall conform to the graphic specifications and standards supplied by Franchisor.

(iv) Franchisee shall not engage in any deceptive, misleading or unethical advertising that might be injurious or detrimental to Franchisor, Franchisee, the public or the goodwill or reputation of the Marblelife System.

(v) Franchisee shall take part in such cooperative advertising, promotion and public relations programs among Marblelife franchisees as Franchisor may reasonably require.

(vi) Franchisee shall take part in such customer loyalty and customer satisfaction programs as Franchisor requires from time to time. These may include, without limitation, administering and/or facilitating, at Franchisee's cost and expense, customer satisfaction surveys.

(vii) Franchisee shall immediately cease using any material that Franchisor shall notify Franchisee it disapproves.

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(viii) Specific to direct mail and electronic mail (e-mail) campaigns, once the Franchisee has received approval from the Franchisor as to the content and form of the material, Franchisee must carbon copy (cc) the Franchisor on all such campaigns and mailings.

(ix) Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor's prior written approval.

(x) Franchisee shall not in the name of the Franchised Business or System (A) donate money, products, or services to any charitable, political, religious, or other organization, or (B) act in support of any such organization, without the Franchisor's prior written approval.

(xi) Franchisee shall provide Franchisor administrative rights to any electronic or web service used to market its Franchised Business. Franchisee, at all times, remains responsible for associated costs related to such service, and shall reimburse Franchisor for any costs that Franchisor may incur related to its administrative rights.

(e) *Advertising Assistance.* Franchisor shall provide advertising and promotional assistance to Franchisee as follows:

(i) Franchisor shall develop sales and promotional materials and programs which can be purchased by Franchisee to assist it in selling and performing services in accordance with the methods of operation of the System.

(ii) From time to time, Franchisor shall provide to Franchisee advice on the form and content of advertising and promotional campaigns.

(iii) Franchisee acknowledges that the Franchisor's marketing program is not a trust or a fund, and Franchisor assumes no fiduciary duty in administering or auditing the marketing program. Franchisor may as it deems necessary prepare an unaudited report of the marketing program each year, and will provide Franchisee a copy upon receipt of Franchisee's written request.

(f) *Social Media.* Franchisee shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with its operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy Franchisor implements. Franchisor shall create and own all Social Media accounts used in operation of the Franchised Business, and shall allow Franchisee access and use only in strict compliance with Franchisor's rules. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "Social Media" includes, without limitation, personal blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, FOURSQUARE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

### **Section 2.5 - Noncompetition.**

(a) *In-Term.* Franchisee and the Owners specifically acknowledge that, pursuant to this Agreement, Franchisee and the Owners will receive valuable specialized training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Franchisor and the System that are beyond the present skills and experience of Franchisee and the Owners and Franchisee's managers and employees.

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Franchisee and the Owners acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development, operation and promotion of the Franchised Business, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets, confidential information and rights, Franchisee and the Owners covenant and agree that with respect to Franchisee, during the term of this Agreement (or with respect to each of the Owners, during the term of this Agreement for so long as such individual satisfies the definition of “Owner” as described in Section 2.1), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Owners shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity:

(i) Solicit or provide services to any customer of the Franchised Business, or to any person (natural person or business entity) who was a customer of the Franchised Business within the previous twenty-four (24) month period;

(ii) own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Franchised Business, including a business that restores, maintains, cleans, repairs and otherwise cares for marble, granite and other types of inorganic and organic surfaces and repairs, cleans, grinds, polishes, stains, seals, coats, and densifies concrete surfaces (“**Competitive Business**”);

(iii) interfere or attempt to interfere with any of the business relationships of Franchisor or any other Marblelife franchisee; or

(iv) divert or attempt to divert any prospective customer or business from Franchisor or any other Marblelife franchisee.

(b) *Post-Term Agreement Not to Compete.* In consideration for the specialized training, trade secrets, confidential information and rights described in Section 2.5(a), Franchisee and Owners covenant and agree that with respect to Franchisee, and for a continuous uninterrupted period commencing upon the expiration (without renewal) or termination of (regardless of the cause for termination), or transfer of all of Franchisee’s interest in, this Agreement (or, with respect to each of the Owners, commencing upon the earlier of: (i) the expiration or termination of, or transfer of all of Franchisee’s interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Owner” as described in Section 2.1) and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Owners shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person or entity:

(i) Solicit or provide services to any customer of the Franchised Business, or to any person (natural person or business entity) who was a customer of the Franchised Business within the twenty-four (24) month period prior to expiration, termination, or transfer of this Agreement (or, with respect to each of the Owners, within the twenty-four (24) month period prior to the termination or transfer of the Owner’s interest in this Agreement).

(ii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in a legal entity), advise, assist or make loans to, any Competitive

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Business, which business performs, or is intended to perform, services within the Territory, within ten (10) miles of the perimeter of the Territory, within another franchisee's territory, or within ten (10) miles of the perimeter of another franchisee's territory or the territory of any Company-Owned Business as of the date of expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or the time such individual or entity ceases to satisfy the definition of Owner;

(iii) interfere or attempt to interfere with any of the business relationships of Franchisor or any other Marblelife franchisee; or

(iv) divert or attempt to divert any prospective customer or business from Franchisor or any other Marblelife franchisee.

The two-year time period described in this Section 2.5(b) shall be tolled during any period of noncompliance. If Franchisee fails to comply with the requirements in this Section 2.5(b), Franchisor shall have the right to impose a fee equal to two times the applicable Royalty Fee ("**Non-Compliance Fee**") set forth in Section 3.2 for each month tolled against Franchisee's noncompliance ("**Tolled Period**"). Each Tolled Period expires at the end of each calendar month of non-compliance, and does not create any new franchise rights. Franchisee acknowledges that its violation of any covenant of this Section 2.5(b) would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all, Non-Compliance Fees imposed by Franchisor, as well as Franchisor's court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action. Franchisee acknowledges that the Non-Compliance Fee is not a penalty, but is a liquidated damage intended to compensate, in part, Franchisor for the additional costs incurred in enforcing Franchisee's compliance with this Section 2.5(b) and any damage to Franchisee's goodwill or the franchise system as a whole due specifically to Franchisee's failure to comply with this section. The Non-Compliance Fee is not meant to be a substitute for any other damages or amounts due to Franchisor under this Agreement. The parties acknowledge that the Non-Compliance Fee is intended to quantify damages that are difficult to formulate, uncertain, and inexact at the time of the signing of this Agreement. In addition to the Non-Compliance Fee, Franchisee shall provide to Franchisor full and uninhibited access to its accounting, banking, e-mail, phone, and other communication records so that Franchisor may ascertain the impact of non-compliance with this Section 2.5(b).

(c) *Public Company*. Section 2.5(a) and (b) shall not apply to ownership of less than a three percent (3%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

(d) *Employees*. Franchisee shall ensure that the employees, agents or representatives of the business franchised hereby comply in all respects with the obligations of Franchisee set forth in this Section 2.5 by obtaining a written agreement in the form of the confidentiality, non-competition, and non-solicitation agreement attached hereto as Schedule G ("**Confidentiality Agreement**") from such employees, agents or representatives containing such obligations. Franchisee shall promptly forward to Franchisor a copy of each Confidentiality Agreement signed by Franchisee's employees, agents and representatives in addition to the employee's phone number, address and e-mail address. Any failure to obtain execution of the Confidentiality Agreement by any such employees, agents or representatives, or any breach thereof by such employees, agents or representatives, will be deemed a breach of this Agreement. In addition, the Franchisee acknowledges that the Franchisor may seek recovery of damages from the Franchisee in the event that an employee of the Franchisee violates the confidentiality requirements set out by the Franchisor and the Franchisee failed to have that employee execute the Confidentiality Agreement.

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(e) *Reasonableness.* The parties acknowledge and agree that the limitations in each of the covenants contained in this Section 2.5 are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Franchisee represents that the Franchisee and its Owners have sufficient skills and talents to allow them to earn income or obtain other employment without violating the terms of this Section 2.5(e) or creating any undue hardship. The parties agree that each of these covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 2.5.

(f) *No Defense.* Franchisee and the Owners expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 2.5.

(g) *Injunctive Relief.* Failure to comply with the requirements of this Article II shall constitute a material breach of this Agreement. Franchisee and the Owners acknowledge that a violation of the terms of this Section 2.5 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee and the Owners accordingly consent to the issuance of an injunction, without bond, prohibiting any conduct by Franchisee or the Owners in violation of the terms of this Article II. Franchisee and the Owners agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in connection with the enforcement of this Article II, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of this Article II.

(h) *Severability.* The parties acknowledge that the covenants set forth in this Section 2.5 are appropriate and reasonable in light of the nature and extent of the business conducted by Franchisor. Nevertheless, if any restrictive covenant is held to be invalid or unenforceable because its duration is too long or its scope is too broad, the parties agree that the court making such determination shall have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable.

#### **Section 2.6 - Other Operational Obligations.**

(a) *Opening Date.* By the Opening Date on the Summary Page, Franchisee shall have established the Franchised Business' website pursuant to Section 2.6(f), submitted its start-up packet to Franchisor, and have completed the Franchisor's training requirements under Section 2.1. This start-up packet includes a mapping of each county the Franchisee services, front office call center program sign-up forms, accounting services program forms, and any other required business-related operational requirements specified by Franchisor. If Franchisee has not met the requirements under this Section 2.6(a), the Opening Date shall be deemed to be the date on which Franchisee actually completes the above requirements or otherwise agreed to by Franchisor.

(b) *Customer Service.* Franchisee shall treat its customers with courtesy and respect. All complaints, if any, from dissatisfied customers of Franchisee will receive prompt attention from Franchisee. If Franchisee is unable to arrive at an equitable adjustment with a complaining customer within seven (7)

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days after the initial complaint, Franchisee will contact Franchisor for assistance in handling the complaint. Franchisee shall build and maintain a customer database.

(c) *Front Office Services.* Franchisee shall ensure that all business telephone calls are, at all times during the hours of operation designated by Franchisor (currently 8 a.m. to 5:00 p.m. local time), answered by a live person who is (i) familiar with Franchised Business operations, and (ii) qualified and capable of setting, scheduling, and managing job estimate appointments (“**Front Office Services**”). For avoidance of doubt, Front Office Services may not be outsourced to a third-party answering service or call center without Franchisor’s prior written approval. At Franchisee’s election, Franchisee may choose to utilize our Front Offices Services Program, and Franchisee may cancel at any time. Alternatively, Franchisor may determine, that Franchisee must use Franchisor’s full-service Front Office Services Back-up Program, as further described in the Manuals. Franchisee agrees to pay the then-current fees for the applicable Program in Franchisee participates. Franchisee shall not use any third-party scheduling or calendar tool, such as products and software by Google and its affiliates.

(d) *Compliance with the System.* In order to protect reputation and goodwill of the System, Marks and to maintain high standards of operation under the System (“Brand Standard”), Franchisee shall adhere to Franchisor’s procedures, programs and methods of operation as outlined in the training programs, Manuals, bulletins, and other material provided by Franchisor. Franchisee recognizes that these procedures, programs and methods of operation may change or be terminated, and additional procedures, programs and methods of operation may be added from time to time. Franchisee shall adopt these developments upon notice thereof by Franchisor. Franchisor shall have the right, whenever, in its judgment, Franchisee is not complying with the System requirements or with the terms of this Agreement, to prohibit the activity or conduct that does not so comply and to require such changes as may reasonably be necessary to secure compliance. Franchisee acknowledges that any material failure to comply with the required Brand Standard or to pass our inspection will constitute a material breach of this Agreement. However, Franchisee acknowledge that Franchisor has the right to vary their standards and specifications to accommodate the individual circumstances of different franchisees. Franchisor’s specifications do not constitute a warranty or representation, express or implied, as to quality, safety, suitability, fitness for a particular purpose or any manner. Franchisor will not be liable to Franchisee or others on account of the designation of Brand Standards for the operation of the Franchised Business under the System.

(e) *Compliance with Laws.* In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state, and local laws, rules, regulations ordinances, and orders, in the performance of services pursuant to the Agreement, including but not limited to environmental laws and regulations governing the proper use, handling, storage and disposal of all chemicals and other materials used by it in its business. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee’s sole responsibility to apprise itself of the existence and requirements of such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the term of this Agreement. Failure to comply with applicable federal, state, and local laws, rules, regulations, ordinances, and orders is a material breach of this Agreement and Franchisor reserves the right to terminate this Agreement immediately for cause and without an opportunity to cure.

(f) *Improvements.* Franchisor may periodically analyze Franchisee’s sales promotional efforts and financial status and may furnish Franchisee with suggestions as to any improvement Franchisor believes to be necessary or advisable. Franchisee shall cooperate by providing information about Franchisee’s business as may be necessary to enable Franchisor to perform such analysis.

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(g) *Internet and Website.* Franchisee shall have and maintain adequate hardware and software to access the Internet at the bit speed required by Franchisor. In accordance with Section 2.2(d), Franchisee shall be assigned an electronic mail address by Franchisor's and shall use only the assigned email address when conducting Franchised Business, and shall not use the assigned email address for any other purpose. Franchisee shall read the electronic mail for the Franchised Business on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisor will establish and designate and license, for the Franchisee's use during the term of the Agreement, a local web domain for the Franchised Business in accordance with the Franchisor's specifications, as they may be amended from time to time. A starting point web design will be provided from a service provider pre-approved by the Franchisor. Franchisee is required to use the Franchisor's pre-approved website provider. The website domain name will be "www.marblelife-[territory].com", or such other name as designated by the Franchisor. Franchisor must pre-approve in writing all content contained in the Franchisee's website. There is no charge for setting up the website; however, Franchisee must engage Franchisor's designated service provider for maintenance and search engine optimization services and pay all fees and costs imposed by such provider. Franchisee specifically acknowledges that any web site access password is highly confidential and is subject to the confidentiality provisions of this Agreement. Upon termination of this Agreement for any reason, the license to the use of the website shall terminate and the Franchisee shall have no further access to the website. The Franchisee acknowledges and agrees not to maintain any other domain name, home page or URL on the Internet without the prior written permission of the Franchisor.

(h) *Use of Designated Accounting System.* Franchisor reserves the exclusive right to establish a designated accounting system for the System. Franchisee agrees to utilize the computerized bookkeeping, reporting and accounting system designated from time to time by the Franchisor (including the fiscal year and reporting periods designated by the Franchisor for purposes of budgeting, reporting, and accounting as required under this Agreement), which system will be established and utilized by the Franchisee to account for, and transmit, the financial information required under this Agreement. Franchisee further agrees to pay all reasonable fees charged by the Franchisor or others for use of such systems, as well as technical support and other expenses, however, the Franchisor will provide the Franchisee with a credit to cover the initial software conversion costs. Franchisee will be required to transition to the designated accounting system within six (6) months from receipt of written notice from the Franchisor. The Franchisor requires use of certain versions of QuickBooks Premiere or QuickBooks Enterprise accounting software as specified in the Manuals. Franchisee must provide periodically, or make available for access, the entire executable and operational electronic file (*i.e.*, soft file) of any accounting software prescribed by Franchisor.

(i) *Use of Designated Sales System.* Franchisor reserves the exclusive right to establish a designated sales tool or sales system for the System. If so established, Franchisee agrees to utilize the designated sales system. The Franchisee further agrees to pay all reasonable fees charged by the Franchisor or others for the use of such systems, as well as technical support and other related expenses. If established, Franchisee will be required to transition to the designated accounting system within six (6) months from receipt of written notice from the Franchisor. Franchisor will have the right to hire a salesman covering the Franchisee's Territory on a commission basis, however, the salesman will be required to coordinate with the Franchisee on job costing prior to submitting his bid. Franchisee will not be required to honor any bid submitted with a costing that diverts from the Franchisor's recommendations. In the event that a national or regional account is bid, and the Franchisee opts not to do the service at the price quoted, the Franchisor will have the right and option to arrange for this service to be performed by another franchisee, corporate office or the Franchisor to maintain or develop the national or regional relationship.

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(j) *Use of Designated Scheduling and Customer Relationship Management Software.* Franchisor has established a designated scheduling and customer relationship management software for the System. Franchisee agrees to utilize such system as designated by Franchisor. Franchisee further agrees to pay all reasonable fees charged by Franchisor or others for use of such systems, as well as technical support and other related expenses. Franchisor owns all data and input collected by such systems.

(k) *Use of Designated Computer and Smartphone System.* Franchisor reserves the exclusive right to establish the requirements for computer systems, smartphones, and equipment (“**Computer System**”) for the System. If so established, Franchisee agrees to utilize the designated Computer System and related equipment. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, high speed Internet connections, data plans for smartphones, and other requirements prescribed in the Manuals. As technology or software is developed in the future, Franchisor may, in its sole discretion, require Franchisee to add to the Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade the Computer System as Franchisor prescribes. Franchisee shall acquire, install, and maintain such anti-virus and anti-spyware software as Franchisor requires, and shall adopt and implement such Internet user policies as Franchisor may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with operation of the Computer System.

(l) *Use of Designated Software.* Franchisee shall: (a) acquire, install on its Computer System, and use any proprietary software programs, system documentation manuals, and other proprietary materials that Franchisor requires in connection with the operation of the Franchised Business; (b) input and maintain in Franchisee’s computer such data and information as Franchisor prescribes in the Manuals, software programs, documentation, or otherwise; and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. Franchisee shall enter into all software license agreements, “terms of use” agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees imposed thereunder. Franchisee is prohibited from utilizing ancillary or alternative software and other internet-based service providers, such as Google products, and any other services prohibited by the Manuals to run any component of the Franchised Business.

(m) *Payment Systems.* Franchisee shall accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE PAY and GOOGLE WALLET) that Franchisor specifies periodically to enable customers to purchase authorized products, and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee shall cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. Franchisee is solely responsible for its own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee shall defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or related to Franchisee’s violation of the provisions of this Section 2.6(m). Notwithstanding anything to the contrary, Franchisee’s indemnification obligation does not extend to an indemnified party’s acts or omissions amounting to gross negligence, willful misconduct, strict liability or fraud.

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(n) *Assumed Risk.* Franchisee acknowledges and agrees that technology is constantly changing. Technologic devices and computer systems are always being updated, improved, replaced, and discontinued. Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, Franchisee assumes all of the risk of all such issues and technology failures, which Franchisee acknowledges may affect its ability to order or receive products or to conduct business, and Franchisee acknowledge that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

(o) *Noncompliance Fee.* If at any time the Franchised Business fails to conform to System requirements, Franchisor has the right to impose and collect from Franchisee an administrative fee as described in this paragraph (“**Administrative Fee**”). Specifically, (i) Franchisor may impose and collect from Franchisee a \$250 Administrative Fee for each “enforcement effort” that Franchisor undertakes on account of Franchisee’s noncompliance with the System and Franchisor’s standards (e.g., a letter, email, or telephone communication notifying Franchisee of noncompliance or continued noncompliance), and (ii) if Franchisor has notified Franchisee of noncompliance and Franchisee has failed to correct the issue within seven days, Franchisor may impose and collect from Franchisee a \$250 Administrative Fee per week until the issue has been corrected to Franchisor’s satisfaction. Franchisor also may impose and collect a \$250 Administrative Fee if Franchisee fails to acknowledge receipt of Franchisor’s communications to Franchisee, or to respond to Franchisor’s communications within 24 hours of delivery. This fee is not a penalty, but is intended to compensate Franchisor for the additional costs that it incurs in enforcing Franchisee’s compliance with the System and Franchisor’s standards, and is in addition to and not in lieu of any other rights or remedies that Franchisor may have based on Franchisee’s noncompliance with the System and Franchisor’s standards. Franchisor may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that constitutes a material default of Franchisee’s obligations under this Agreement and, if it is, whether or not a cure period applies.

(p) *Territory.* Franchisee shall not use any software, hardware, computer system, or cloud-based system that Franchisor has not specifically authorized and approved. If Franchisee is in violation of this Section 2.6, Franchisor shall provide Franchisee written notice with the appropriate cure period. If Franchisee does not cure the default within the cure period in the written notice, Franchisor may, but is not obligated to, place another franchisee or a Company-Owned Business within the Territory or allow another franchisee or Company-Owned Business to service the Territory. Franchisor’s rights under this Section 2.6.(p) can be exercised in addition to the rights granted under Section 2.6.(o). This Section 2.6.(p) shall not diminish any right of the Franchisor to terminate Franchisee pursuant to Section 7.2. below.

(q) *Customer List.* Franchisee agrees that the list of the names, addresses and other information regarding Franchisee’s current clients, former clients, and those who have inquired about the services provided by Franchisee (the “Customer List”) shall be included in the Confidential Information, shall be the property of Franchisor, and shall constitute a trade secret of Franchisor. Franchisee agrees that Franchisee may not disclose the Customer List, or any portion thereof, to any person other than the Franchisor, either during the term of this Agreement or thereafter as required by Section 7.3.

(r) *Live Voice and Call Center.* Telephone calls to the Franchised Business are required to be answered by “live” voices during the hours specific in the Brand Standard Manuals. Franchisee may not have calls answered by answering machines, voicemail, or digital assistants. Franchisor may require or prohibit forwarding calls to mobile phones. If Franchisee does not comply with the “live” voice requirement as stated in the Brand Standards Manual, Franchisor has the right to increase Franchisee’s Royalty by one percent (1%) of Gross Revenue. In addition to any other remedies available to Franchisor under this

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Agreement, including default and termination. Franchisor also has the right to require Franchisee to use a designated call center for the Brand (the “Call Center”) for incoming calls. Franchisor will charge Franchisee a fee for using the Call Center service, whether the service is required or optional. As of the Effective Date, the Call Center Fee is the amount set forth in the Summary Pages, and is due at the same time as your Royalty payments. Franchisor reserves the right to increase the Call Center Fee, to charge a minimum fee for this service, and to change the timing of payment of the fee. Franchisor also reserve the right to terminate Franchisee’s access to the Call Center or to cancel the Call Center program. Franchisor will provide Franchisee with at least thirty (30) days’ notice prior to terminating the Call Center, modifying the Call Center Fee, or changing the timing of payment.

### ARTICLE III - FEES AND PAYMENTS

#### Section 3.1 - Initial Franchise Fee and Initial Local Marketing Expenditure.

Franchisee shall pay to Franchisor an initial franchise fee in the amount stated on the Summary Page upon execution of the Franchise Agreement. The initial franchise fee is deemed fully earned and non-refundable upon payment.

#### Section 3.2 - Ongoing Fees.

(a) *Continuing Royalty.* During the term of this Agreement, in consideration of Franchisor’s grant to Franchisee of a license to use Franchisor’s System and Mark, Franchisee shall pay to Franchisor a continuing and nonrefundable royalty fee equal to the greater of (i) the minimum royalty calculated under Section 3.2(b) and (ii) a percentage of Gross Receipts for the Franchised Business during each calendar year (January 1 through December 31) in accordance with the following schedule:

<u>Gross receipts year-to-date</u>	<u>Royalty</u>
\$0 - \$500,000	6%
\$500,001 - \$1,000,000	5%
over \$1,000,000	4%

(b) *Minimum Royalty.* Beginning six months after the date of this Agreement, Franchisee shall pay to Franchisor a minimum royalty for each Territory as follows: 6-12 months at \$200.00 per month; 13-18 months at \$400.00 per month; 19-24 months at \$600.00 per month; over 25 months to end of term at \$800.00 per month.

(c) *Weekly Advertising Fee.* Franchisee shall pay to Franchisor a weekly advertising fee equal to two percent (2%) of Gross Receipts. Advertising Fee monies are held in a separate account; however, the monies collected are managed like an advertising fee. Advertising Fee monies collected during the calendar year that are not spent that specific year, may be used at Franchisor’s discretion during the following year. There is no requirement that the Advertising Fee monies be audited, but upon request, Franchisor will make available to our franchisees, once a year, an Advertising Fee report reflecting the total amount of monies collected and spent by Franchisor during the past year and list, by general category, the manner in which the monies were spent. Neither Franchisor nor its affiliates have any fiduciary obligation for administering the Advertising Fee Monies or for any other reason.

(d) *Gross Receipts.* For the purpose of this Agreement, “**Gross Receipts**” shall mean all cash receipts and credits or other consideration in lieu of cash (such as bartering transactions) from the sale of goods or services that are part of the business franchised hereby or bear any of the Marks. Gross Receipts does not include the amount of separately stated sales taxes or the proceeds from the sale of capital assets not in the ordinary course of business.

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(e) *Time and Method of Payment.* Franchisee shall submit all payments under this Section 3.2 no later than Wednesday of each week with respect to the Gross Receipts of the Franchised Business for the week ended on the prior Sunday. Franchisee must pay by credit card, debit card, or electronic funds transfer (“EFT”) program at Franchisee’s option, in accordance with Franchisor’s instructions. With regard to payments by EFT, Franchisor is granted the right to withdraw funds from Franchisee’s designated bank account each week by EFT in the amount of the payments required under this Section 3.2. Such withdrawals shall be drawn on the Wednesday of each week for the amount of the payments due with respect to Franchisee’s Gross Receipts for the week ended on the prior Sunday, as evidenced by the Gross Receipts report. If the Gross Receipts report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the payments due for the subject week based on the most recent Gross Receipts report provided to Franchisor by Franchisee; provided that if a Gross Receipts report for the subject week is subsequently received and reflects (i) that the actual amount of the payments due was more than the amount of the EFT by Franchisor, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee’s designated bank account for the difference; or (ii) that the actual amount of the payments due was less than the amount of the EFT by Franchisor, then Franchisor shall, at its option, return the excess amount to Franchisee or credit the excess amount to the payment of Franchisee’s future payment obligations. Franchisee agrees to make sufficient funds available in the bank account at all times during the term of this Agreement. Upon execution of this Agreement and at any time thereafter at Franchisor’s request, Franchisee shall execute such documents or forms as Franchisor deems necessary for Franchisor to process EFTs from Franchisee’s designated bank account for the payments due hereunder. Should any EFT not be honored by Franchisee’s bank for any reason, Franchisee shall be responsible for that payment plus a service charge applied by Franchisor and the bank, if any.

(f) *Gross Receipts Report.* Each royalty and advertising payment shall be preceded by a report itemizing the Gross Receipts for the preceding week and any other reports requested by Franchisor, according to the format and submission method required by Franchisor. Notwithstanding the foregoing, Franchisee shall provide Franchisor with such Gross Receipts information by the Wednesday of each week for the week ended on the prior Sunday, by such method of delivery as Franchisor may reasonably direct. Each invoice or customer summary line item will contain the customer name, address, phone number and email address if provided. This Section 3.2(f) has no effect on Franchisee’s obligations under Sections 4.1 and 7.3(a)(viii).

(g) *Late Fee.* Any payment or report to be made by Franchisee under this Agreement that is not made by the time such payment or report is due will be subject to a late fee of \$50 plus interest at the rate of one and one-half percent (1.5%) of the amount overdue per month, or the highest rate allowed by law, whichever is less, from and including the next business day after the due date to and including the date on which such payment is received by Franchisor.

(h) *Partial Payments; Application of Payments.* If Franchisee pays less than the amount due, Franchisee’s payment will be considered a partial payment on account. Franchisor may accept such payment as a partial payment, irrespective of any endorsement or other statement that the payment constitutes full payment. Franchisor’s acceptance of such partial payment will not be considered a waiver of any of its right to demand or receive full payment, and Franchisee hereby waives any estoppel defense in this regard. Franchisor may apply Franchisee’s payments to any indebtedness, in its sole and reasonable discretion, regardless of any designation that accompanies the payment.

(i) *Payment of Taxes.* If any tax is imposed on a payment owed to Franchisor (other than a tax imposed on Franchisor’s net income), then Franchisee shall be responsible and shall pay the tax in addition

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to Franchisee's payment obligation, the intent being that Franchisor shall receive all payments in full, as if no such tax had been imposed.

## ARTICLE IV - RECORDS AND REPORTS

### Section 4.1 - *Records and Reports.*

(a) *Records.* Franchisee shall keep complete and accurate accounts and records relating to all purchases, sales, and other transactions by the Franchised Business, in the form and manner prescribed by Franchisor from time to time. Franchisee shall preserve, in electronic form (or in physical form if an electronic version does not exist), all such books and records for a period of at least five (5) years following the end of the fiscal year in which they were prepared. Franchisee shall provide to Franchisor, upon request, the entire executable and operational electronic accounting file and any previous versions. This Section 4.1(a) has no effect on Franchisee's additional obligations under Article 4 and Section 7.3(a)(viii).

(b) *Weekly Reports.* Franchisee shall submit to Franchisor a report by Wednesday of each week containing the information for the previous week as called for by Franchisor's reporting system. Such reports shall be signed by Franchisee (if a sole proprietor) or a duly authorized officer or Owner of Franchisee. Each customer summary will include the customer's name, company name, contact information, address, phone number and email address.

(c) *Quarterly Reports.* Within thirty (30) days after the close of each fiscal quarter, Franchisee shall provide Franchisor a quarterly financial report consisting of a profit and loss statement for that quarter and a balance sheet for Franchisee's business as of the end of such quarter, setting forth in each case in comparative figures for the corresponding quarter in the preceding fiscal year, if applicable.

(d) *Annual Reports.* Franchisee shall have prepared accurate financial statements, including a balance sheet and profit and loss statement, and shall submit all such financial statements to Franchisor when they are prepared, but no later than ninety (90) days after the close of Franchisee's fiscal year, or upon Franchisor's request. Such financial statements shall set forth corresponding figures in comparative form for the preceding year and shall be prepared in accordance with generally accepted accounting practices.

(e) *Bookkeeping Services.* At Franchisor's request, Franchisee shall engage Franchisor or its designated bookkeeping service provider to provide bookkeeping services for the Franchised Business and to provide the reports required by this Article IV. Franchisee shall pay all fees imposed by Franchisor or the designated service provider for such service.

(f) *Tax Returns.* Franchisee shall also send to Franchisor, when they are prepared, but no later than ninety (90) days after the close of Franchisee's fiscal year, and upon Franchisor's request, copies of any federal and state income tax returns or schedules covering the Franchised Business for periods during the term and any renewal of this Agreement, and any amendments thereto. Franchisee shall include with each such report a letter from Franchisee's accountant stating whether or not: (i) all payroll tax returns have been timely filed and payroll taxes paid to the end of the fiscal period; (ii) all federal income tax returns have been timely filed and taxes paid; and (iii) all state income and franchise tax returns have been timely filed and taxes or fees paid.

(g) *Consent to Disclosure of Financial Information.* Franchisee hereby consents to Franchisor's use and disclosure of financial information collected in accordance with this Section 4.1 for any legitimate business purpose related to the operation or betterment of the System. Specifically, but without limiting

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the foregoing, Franchisee consents to the disclosure of its Gross Receipts information in Franchisor's franchise disclosure document and other marketing materials.

#### **Section 4.2 - Inspection.**

(a) *Right to Inspect.* Franchisor or its designated representatives shall at all times during the term of this Agreement and any renewal hereof, and for a period of twelve (12) months after the expiration or termination thereof, have the right, at reasonable intervals and upon reasonable notice:

(i) to inspect the books and records of Franchisee (or any of its affiliates) relating to the business franchised hereby and to take excerpts therefrom;

(ii) to examine the income tax returns of Franchisee (or any of its affiliates) or schedules thereto covering the Franchised Business and to have an audit made of the books of Franchisee (or any of its affiliates); and

(iii) to inspect any premises used by Franchisee in connection with the Franchised Business or at which supplies for use in connection therewith or records relating thereto are stored. Franchisor or its representative shall have free access to all parts of such premises and may inspect the methods of operation and the stocks of supplies and all other materials relating to the Franchised Business.

(b) *Discrepancies.* If any such inspection, examination, or audit demonstrates a deficiency in any payments due to Franchisor pursuant to this Agreement, Franchisee shall immediately pay the deficiency. If any such inspection, examination, or audit demonstrates an overpayment, Franchisor shall, in Franchisor's discretion, either refund such overpayment to Franchisee or credit it toward future sums payable to Franchisor, under this Agreement.

(c) *Cost.* All inspections, examinations and audits described in Section 4.2(a) shall be at the expense of Franchisor; however, in the event that an inspection, examination or audit discovers (i) an understatement of Gross Receipts of at least three percent (3%) or (ii) that information has not been provided to the Franchisor as per the Agreement, the entire expense of the audit will be borne by the Franchisee. Such expense shall include, but not be limited to, travel, lodging, meals, salaries, fees, and other expenses related to the inspecting, examining or auditing personnel.

#### **Section 4.3 - Business and Customer Data.**

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

Franchisor has the right to independently access all Business Data, wherever maintained. Franchisor also has the right to require Franchisees to deliver Business Data to Franchisor. Franchisor has the right to use (and to authorize others to access and use) Business Data to, among other uses: (i) verify sales, (ii) monitor progress of its franchisee, including compliance with Minimum Performance Requirements; (iii) prepare a

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financial performance representation for Franchisor’s Franchise Disclosure Document; and (iv) share vendor and supplier pricing data with its affiliates.

Franchisor owns and has the right to access all Customer Data, in whatever form existing, and wherever stores. Because Franchisor owns the Customer Data, including Personal information, Franchisor can share it with their affiliates, service providers, contracted third parties, or any other person, for any purpose, without notifying or compensating Franchisee, both during and after this Agreement, including for the performance of services the Franchisor or its parents or affiliates, as well as for marketing and cross-selling products and services of any of the foregoing parties. Whenever Franchisor requests, and without request upon termination or expiration of this Agreement, Franchisee is required to promptly deliver to Franchisor all Customer data in their possession or control, without retaining any of Customer Data in any media. Franchisee may not sell or disclose to anyone else any Personal Information or aggregated or non-aggregated Customer Data without first obtaining Franchisor’s written consent. In the event of an approved sale of the Franchised Business to a new owner who will continue to operate the Franchised Business under an agreement with Franchisor, Franchisee may not transfer the Customer Data to the new owner. Franchisee agrees to install and maintain the security measures and devices necessary to protect Customer Data from unauthorized access or disclosure, including (but not limited to) the minimum measures in Section 4.3.

## ARTICLE V - PROPRIETARY RIGHTS

### Section 5.1 - Protection of Proprietary Rights.

(a) *Maintaining Goodwill.* Franchisee shall do nothing that, in the reasonable opinion of Franchisor, tends to discredit or diminish the value and reputation of the Mark or the System or to bring either into disrepute or that might diminish or affect adversely Franchisor’s reputation or goodwill in the Territory or elsewhere.

(b) *Ownership.* Franchisee acknowledges that Franchisor is the exclusive owner in the U.S. of the Mark and all other Marblelife trademarks. Franchisee further acknowledges that Franchisor has the right to use and license the use of the Mark and System, including any industrial and intellectual property rights and all rights assigned to Franchisor by Franchisee pursuant to Section 1.5(c) of this Agreement (collectively the “**System Rights**”). Franchisee agrees that any further rights or goodwill it may develop in the Mark in the future shall inure solely to the benefit of Franchisor.

(c) *Protection of Mark.* Franchisee shall do everything in its power to protect the Mark and the System Rights. To that end, Franchisee shall not question the validity of the Mark or System Rights; shall not either during or after the term of this Agreement do anything that may impair the rights of Franchisor in the Mark or System Rights; shall not at any time claim any right, title or interest in or to the Mark or System Rights other than the right to use the same under all the terms and conditions hereof; shall assign to Franchisor any right it may acquire through use or otherwise in or to the Mark; and, upon the expiration or termination of this Agreement for any reason, shall cease to use and shall not thereafter use the Mark and/or any System Rights for any purpose. Franchisee may not contest the ownership or validity of the Mark or any registration thereof, or engage in any conduct that adversely affects the ownership or registration of the Mark, or Franchisor’s right to use or to sublicense the use of the Mark.

(d) *Legal Name.* Franchisee shall not use the name, Marblelife, when creating a legal name for the franchise or when setting up a web page on the Internet.

(e) *Proper Use of Mark.* Franchisee shall use only the Mark designated by Franchisor, shall use them only in the manner that Franchisor authorizes and permits, and shall use them with the symbols “®”, “™”, or “SM”, as appropriate. Franchisee shall not include the Mark in its corporate name and, except as

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expressly permitted by Franchisor, shall not use the Mark in conjunction with any other names, trademarks or symbols in letterhead or other printed materials or in advertisements or announcements. Franchisee shall use the Mark only in connection with the operation of the Franchised Business in the Territory and only in accordance with the terms and conditions of this Agreement, and shall use the Mark for Social Media in strict compliance with Franchisor’s Social Media policy. Franchisee’s business shall be operated under the Mark and under no other name or mark. Franchisee shall not use the Mark in connection with any products or services not specifically authorized by Franchisor in writing. Franchisee shall not reproduce or cause to be reproduced the Mark in any manner, including production on forms, invoices, orders, warranties or in connection with advertising, without the prior written approval of Franchisor. Whenever Franchisee uses the Mark, Franchisee shall use such legend as Franchisor may specify to identify the Mark as being owned by Franchisor and/or licensed to Franchisee.

### **Section 5.2 - Legal Action With Respect to Proprietary Rights.**

(a) *Notice of Infringement.* Franchisee shall give Franchisor prompt notice in writing of any infringement or possible infringement of the Mark or System Rights by any third party which may come to its attention, and of any claim for infringement made by any third party which may come to its attention.

(b) *Action against Infringement.* Franchisor may in its discretion take such action (including the initiation of proceedings and the defense of proceedings brought against Franchisee) as it may deem necessary or desirable, at law or in equity or otherwise, either in the Territory or elsewhere, to stop any infringement of the Mark or any System Rights and to defend any claim by third parties of infringement of their industrial property rights by the use of the rights granted hereunder. Franchisee shall not itself initiate any such action or proceedings but shall cooperate with Franchisor in any such action or proceeding and shall execute all documents and do all acts necessary or incidental to such action as Franchisor may reasonably request. If any sum is recovered based on Franchisor’s claim of infringement of the Mark or System Rights, Franchisor shall have the exclusive right thereto.

(c) *Modification of Mark.* If it becomes advisable at any time in the sole discretion of Franchisor to modify or discontinue use of any Mark or System Rights as the result of any possible infringement, Franchisee shall modify or discontinue such use at Franchisee’s expense, upon notice from Franchisor.

### **Section 5.3 - Confidentiality.**

(a) *Nondisclosure.* Both during the term and at all times after the expiration or termination of this Agreement, Franchisee, and its Owners, principals, or interest holders, shall maintain the confidentiality of all “Confidential Information.” For purposes of this Agreement, “**Confidential Information**” includes, without limitation, the names and contact information for all customers, former customers, and prospective customers of the Franchised Business (collectively “**Customer Information**”), all information contained in the Manuals, technical bulletins and other directives, all customer data that exists in accounting files, customer relationship management software, or other files (electronic and hard copy) (including, without limitation, contract drawings, receipts, maintenance plans, restoration plans, proposals and other work product (collectively, “**Customer Work Product**”), all non-public know-how, trade secrets, technical knowledge, business plans, marketing information, financial information and all other non-public information concerning Franchisor and the System. Franchisee shall refrain from disclosing to any person, firm or corporation any Confidential Information, or any other aspect of Franchisor’s business, products, processes, customers or plans or those of Franchisor’s affiliates which may come to Franchisee’s attention as a result of the performance of this Agreement or otherwise, except for any disclosure required by law, in which event Franchisee shall give advance notice to Franchisor of the disclosure to be made. All such

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information, including Customer Information and Customer Work Product is the sole property of Franchisor and is confidential.

(b) *Non-Use.* Both during the term and at all times after the expiration or termination of this Agreement, Franchisee shall not use any Confidential Information described in Section 5.3(a), directly or indirectly, except for the purpose of fulfilling Franchisee's obligations under this Agreement.

(c) *Manuals.* Without limiting the generality of the foregoing, Franchisee acknowledges that all Manuals are confidential and that Franchisee will not acquire any right, title or interest in the Manuals. The Manuals and the information contained in them will at all times remain the property of Franchisor. Franchisee shall, at all times, treat the Manuals and the information contained therein as confidential and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not, at any time, duplicate, copy, record, or otherwise reproduce the Manuals, in whole or in part, nor otherwise make the Manuals available to any unauthorized person or to any person who does not have a legitimate need to see them.

(d) *Franchisee's Employees, Agents, and Representatives.* Franchisee may disclose to any of Franchisee's employees, agents or representatives only such Confidential Information as shall be reasonably necessary for such employee, agent or representative to carry out his or her function; provided, however, that Franchisee shall obtain a signed agreement in the form of the Confidentiality, Non-Competition, and Non-Solicitation Agreement attached hereto as Schedule G from each such employee, agent and representative (including, without limitation, independent contractors who may provide the services authorized under this Agreement), before the disclosure is made and before the individual may provide the services authorized under this Agreement. Violation of this provision is a material breach of this Agreement.

## ARTICLE VI - TRANSFER

### Section 6.1 - Ownership of Franchisee.

(a) *Ownership of Franchisee.* If Franchisee is a sole proprietor, Franchisee's spouse must sign Franchisor's Continuing Guaranty of the Obligations under the Franchise Agreement. If Franchisee is other than a sole proprietor, Franchisee and each Owner shall execute in connection with this Agreement a Legal Entity Form in the form of Schedule B attached hereto, showing the ownership of Franchisee and a Continuing Guaranty of the Obligations under the Franchise Agreement in the form of Schedule C attached hereto, whereby Owners guarantee the obligations of Franchisee under this Agreement.

(b) *Corporations, Partnerships and Other Entities.* Franchisee and each Owner acknowledges that if Franchisee is a corporation, partnership, limited liability company or other type of entity, the Owners shall be jointly and severally bound by the personal undertakings contained in Schedule C attached hereto.

### Section 6.2 - Assignment by Franchisee.

(a) *No Subfranchises.* Franchisee shall not have the right to grant Marblelife subfranchises.

(b) *Definition of Transfer.* As used in this Agreement, the term "**Transfer**" means any assignment of this Agreement or the Franchised Business by Franchisee in any manner or any change in the ownership of Franchisee (if Franchisee is an entity rather than an individual). The term "Transfer" includes, without limitation, any voluntary, involuntary, direct or indirect assignment, sale, gift or exchange, or the occurrence of any other event, by operation of law or otherwise, that would or might create an assignment or delegation of Franchisee's interest in or obligations under this Agreement or the Franchised Business or a change, in whole or in part and in any manner, in the ownership of Franchisee, including: (i) merger or

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consolidation or issuance of additional securities representing an ownership interest; (ii) sale, gift or other transfer of stock, partnership or other ownership interest; (iii) transfer of an ownership interest in a divorce proceeding or otherwise by operation of law; (iv) transfer of an ownership interest by will, declaration of or transfer in trust, or under the laws of intestate succession; or (v) the creation of a pledge, security interest, lien, levy, attachment or execution.

(c) *No Transfer by Franchisee Without Approval.* This Agreement is personal to Franchisee. No Transfer shall take place, except with the prior written approval of Franchisor in accordance with the provisions of this Section 6.2. Any purported Transfer that does not comply with this Section 6.2 will be a breach of this Agreement and will be void. Nothing contained in this Section 6.2 will affect Franchisor's right to terminate this Agreement as hereinafter provided.

(d) *Right of First Refusal.* Except for a Transfer upon death as set forth in Section 6.2(h), no Transfer shall take place except in accordance with the following requirements:

(i) Franchisee shall have received a bona fide arm's length written offer therefor from the proposed buyer or transferee (the "**Third Party Offer**").

(ii) Franchisee shall submit a written notice to Franchisor, containing the following:

A. a statement to the effect that Franchisee has received a bona fide offer for the sale of the Franchised Business;

B. the sale price and terms of payment contained in the Third Party Offer;

C. a statement signed by the proposed transferee, indicating its intent, if approved by Franchisor, to continue to operate the business as a Marblelife franchisee;

D. an offer to sell the Franchised Business or Franchisee (or an interest in Franchisee, according to the terms of the Third Party Offer) to Franchisor for the price and on the terms set forth in the Third Party Offer; and

E. complete financial statements of Franchisee relating to the Franchised Business for the immediately preceding forty-eight (48) months, if applicable.

(iii) Franchisor shall have the right to request such additional information as may be reasonably necessary for Franchisor to consider the offer described in Section 6.2(d)(ii)(D), and Franchisee shall promptly furnish such additional information. Such information may include, but shall not be limited to, copies of the Third Party Offer and all related correspondence and agreements with the proposed transferee relating in any way to the Third Party Offer; the name and address of the person desiring to purchase the Franchised Business or Franchisee; and a summary of the business experience of the proposed transferee, if such experience is not clear from the foregoing.

(iv) Franchisor shall have the right, for a period of sixty (60) days after its receipt of the notice described in Section 6.2(d)(ii) and all information requested under Section 6.2(d)(iii), to purchase the Franchised Business or Franchisee (or an interest in Franchisee) at the price and on the terms set forth in the Third Party Offer, as if Franchisor were the proposed buyer or transferee.

(v) If Franchisor exercises its right to purchase, as described in Section 6.2(d)(iv), Franchisee shall tender and Franchisor shall purchase the Franchised Business or the relevant ownership interest upon the terms and conditions of the Third Party Offer, within sixty (60) days after Franchisor gives notice of its intent to exercise such right or at such other later time as may

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be contained in the Third Party Offer. Prior to or at the time of such purchase, the further conditions to transfer set forth in Section 6.2(i) below must be met.

(e) *Transfer to a Third Party.* Franchisor shall have no obligation to exercise its right of first refusal described in Section 6.2(d). If Franchisor does not exercise such right, Franchisor shall not unreasonably withhold its approval of a Transfer if it meets the requirements set forth below.

(i) The proposed transferee, its management and owners shall personally meet with Franchisor's representatives at the Franchisor headquarters before the Transfer.

(ii) The proposed transferee, its management, and owners must have demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then current educational, managerial and business standards; possesses good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business/ has sufficient equity capital to operate the Franchised Business; and otherwise meets Franchisor's then applicable standards for Marblelife franchisees, and must deliver to Franchisor such financial statements and other documents requested by Franchisor.

(iii) If the Transfer will cause or require a change in the management of the business, the transferee (or representatives of a transferee that is an entity) must meet all the requirements as provided in Section 2.1; and

(iv) The material terms and conditions of such Transfer, including the price and terms of payment, shall not be so burdensome as to adversely affect the operation of the business by the transferee.

(f) *The Transfer.* If Franchisor approves the Transfer, then Franchisee shall be free, for ninety (90) days following such approval, to effect the Transfer, provided that all of the following conditions are met:

(i) Such Transfer shall be made to the person named in the Third Party Offer at the price and upon the terms and conditions set forth in such offer;

(ii) Franchisee or the transferee shall pay Franchisor a Transfer Fee in the amount stated on the Summary Page, plus reimburse Franchisor for its costs and expenses associated with the Transfer, including, without limitation, legal and accounting fees;

(iii) the proposed transferee shall, at the option of Franchisor, at the time of closing, either enter into an assignment of this Agreement or enter into Franchisor's then current form of franchise agreement but only for a term equal to the remaining term of this Agreement and with renewal rights no greater than this Agreement, which agreement will supersede this Agreement;

(iv) Franchisee shall have entered into an agreement with Franchisor agreeing to subordinate to Franchisor any obligations of such transferee to make installment payments of the purchase price to Franchisee;

(v) Franchisee agrees to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the Transfer, shall continue to remain responsible for obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration or transfer, and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

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(vi) If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Continuing Guaranty of the Obligations under the Franchise Agreement;

(vii) Franchisee shall have given Franchisor not less than five (5) business days' written notice of the date, time and place of the closing of such Transfer and shall give Franchisor an opportunity to have a representative present; and

(viii) At the transferee's expense, the transferee's owner and any other person designated by Franchisor must attend and successfully complete an initial training course as described in Section 2.1 above.

(g) *Failure to Transfer.* If Franchisee has not accomplished a Transfer as set forth in the Third Party Offer by the end of the ninety (90) day period referred to in Section 6.2(f), any subsequent Transfer of the Franchised Business shall again become subject to the restrictions of this Section 6.2.

(h) *Transfer Upon Death.* Upon the death of a controlling Owner, the ownership interests of such deceased Owner will pass to the spouse, heirs or estate of the deceased Owner on the condition that:

(i) such spouse, heirs or estate have made adequate provision for management of the Franchised Business, as approved by Franchisor; and

(ii) such spouse, heirs or estate promptly advise Franchisor and assume the decedent's guarantee, if any, of Franchisee's obligations hereunder in writing.

If these conditions are not met, Franchisor shall have the right to require a Transfer to a qualified third party. Except in the event of such Transfer, upon any such death, the right of first refusal described in Section 6.2(d) shall not apply, nor shall the conditions of Section 6.2(i) apply, nor shall the requirements of Sections 6.2(e)(iv) or 6.2(f) apply, except that such spouse, heirs or estate shall enter into an assignment of this Agreement or, at Franchisor's option, Franchisor's then current form of franchise agreement for a period of no less than the balance of the term of this Agreement and such spouse, heir or estate must cause the appropriate people to attend an initial training course as described in Section 2.1 above. In addition to transfers by bequest or inheritance, Sections 6.2(e)(iv) and (f)(iv) shall not apply to transfers by gift.

(i) *Further Conditions to Transfer.* The following conditions shall apply with respect to any Transfer, whether to a third party or to Franchisor (except as set forth in Section 6.2(h)):

(i) Franchisee shall cure any default under this Agreement;

(ii) Franchisee shall pay all royalty fees, advertising fees, and any other amounts owed to Franchisor and its affiliates;

(iii) If any lease for the premises or vehicles used in the business requires it, the lessor must consent to the assignment thereof to the transferee;

(iv) Franchisee shall execute such documentation in a form acceptable to Franchisor to effectuate the transfer;

(v) Franchisee and each person who is transferring an ownership interest must sign a general release and covenant not to sue (in a form satisfactory to Franchisor) of any and all claims against Franchisor, its affiliates, shareholders, directors, employees, agents, successors and assigns;

(vi) Franchisee and each person who is transferring an ownership interest must execute a noncompetition agreement in favor of both Franchisor and the transferee containing in substance

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the terms and conditions of Section 2.5(a) of this Agreement if such person shall not already have signed such an undertaking;

(vii) Franchisor shall have the right to hold five percent (5%) of the sales price in escrow to cover warranty claims that may be brought within six months after the date of sale. Any remaining amounts held in escrow at the end of the six-month period will be paid to Franchisee within fifteen (15) days after the end of the six (6) month period;

(viii) If the transfer is to Franchisor, Franchisee shall transfer or facilitate the transfer of Franchisee's business telephone numbers to Franchisor. Franchisee shall execute a Transfer of Service Agreement in the form of Schedule H attached hereto at the time this Agreement is executed to expedite the transfer of service at the time of a transfer or termination of the franchise relationship; and

(ix) Franchisee shall transfer all Social Media accounts and rights to thereof to Franchisor, and otherwise cooperate with the facilitation of this transfer.

**Section 6.3 - Assignment by Franchisor.**

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

**ARTICLE VII - TERM AND TERMINATION**

**Section 7.1 - Term and Renewal.**

(a) *Term.* The initial term of this Agreement shall commence upon the Effective Date and shall expire at midnight on the day preceding the tenth (10th) anniversary date of the Effective Date (the "Term" or the "Initial Term"), unless this Agreement has been sooner terminated in accordance with the terms and conditions herein.

(b) *Renewal.* Franchisee shall have the option, subject to Franchisor's approval, to renew the franchise for one additional ten (10) year term, provided that:

(i) Franchisee shall have given Franchisor written notice of Franchisee's desire to renew not less than nine (9) months nor more than twelve (12) months prior to the end of the initial term;

(ii) Franchisee shall be in compliance, as determined by Franchisor, with all of the terms and conditions of this Agreement and any other agreements between the parties and shall have satisfied all monetary obligations to Franchisor and its affiliates and suppliers, and Franchisee shall have substantially and timely complied with all of the terms and conditions of this Agreement and such other agreements, and timely satisfied all such monetary obligations, during the term hereof;

(iii) Not less than 30 days prior to the end of the initial term, Franchisee shall execute the then standard form of franchise agreement, with an effective date of the first day immediately after the end of the initial term, excluding, however, any right of renewal or any provision that provides for a term that exceeds ten years and all other agreements for the grant of franchise rights under the System as used by Franchisor at the time of renewal for new franchisees, which agreements may contain materially different terms than this Agreement, including, but not limited

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to, increased royalty fees and advertising fees, and may require the upgrading of facilities and equipment or other features of the System;

(iv) Franchisee shall have paid a renewal fee to Franchisor, if then required by Franchisor, in an amount equal the amount stated on the Summary Page at the time of Franchisor's written notice of renewal to Franchisor; and

(v) Franchisee shall have executed a general release, in a form prescribed by Franchisor, of any claims against Franchisor, its officers, directors, shareholders, agents and employees, relating to all past dealings.

(c) *Nonrenewal.* Without limiting the right of either party to terminate this Agreement as set forth below, Franchisor shall give Franchisee notice, not more than sixty (60) days after receipt by Franchisor of Franchisee's notice of its desire to renew, of any noncompliance that constitutes grounds for denying Franchisee the right to renew. If such noncompliance is curable, Franchisee shall have sixty (60) days to cure. Failure to cure such noncompliance in a timely manner will be grounds for nonrenewal.

(d) *Failure to Timely Give Renewal Notice or Execute Renewal Franchise Agreement.* If Franchisee fails to give written notice to Franchisor of Franchisee's desire to renew not less than nine (9) months prior to the end of the initial term, or if Franchisee fails to execute a renewal franchise agreement not less than three (3) months prior to the end of the initial term, then, Franchisor may immediately begin marketing the Territory to prospective franchisees and/or developing plans to locate a corporate office in the Territory for the purpose of continuing the Marblelife business in the Territory after the end of the initial term.

#### **Section 7.2 - Termination.**

(a) *Termination by Franchisor with an Opportunity to Cure.* Except as otherwise provided in this Section 7.2, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if Franchisee fails to cure any curable default within 30 days after delivery of written notice.

(b) *Termination by Franchisor without an Opportunity to Cure.* Franchisor may terminate this Agreement upon notice to Franchisee with immediate effect if:

(i) Franchisee makes any material misrepresentation relating to the acquisition of the Franchised Business, including but not limited to a failure of Franchisee's representations set forth in Section 8.2(a)(i) hereof;

(ii) Franchisee fails to attend initial training within sixty (60) days of the execution of this Agreement or fails to open the Franchised Business within ninety (90) days of initial training;

(iii) Franchisee engages in any act or activity in breach of Section 2.6 or Articles V or VI or any of Franchisee's Owners or personnel engages in any act or activity that the Franchisee would not be permitted to do under such provisions of this Agreement;

(iv) Franchisee conducts marketing efforts or performs services in violation of Sections 1.2(a) or 1.2(b) hereof;

(v) Franchisee offers unauthorized services in conjunction with the Mark or purchases items for which Franchisor has identified an approved or designated source from an unapproved source;

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(vi) Franchisee or any of its personnel or Owner pleads guilty, no contest or is, convicted of a felony or any other offense which is, in Franchisor's judgment, likely to adversely reflect upon or affect the Franchised Business or Franchisor or its other franchisees;

(vii) Franchisee voluntarily abandons the franchise by failing to operate the business for such period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the franchise;

(viii) Franchisee fails to comply with one or more material requirements of this Agreement, whether or not cured after notice, three (3) or more times within any twenty-four (24) month period;

(ix) Franchisee becomes insolvent or is unable to pay its debts as they become due, is adjudicated bankrupt, or a petition for bankruptcy or reorganization is filed by or against it and any such petition is not discharged within sixty (60) days after it is filed, or a permanent or temporary receiver or trustee for all or substantially all of Franchisee's property is appointed by any court, or if Franchisee makes an assignment for the benefit of its creditors or an arrangement pursuant to any bankruptcy law;

(x) Franchisee or its Owners fail to comply with the terms of the confidentiality and non-compete covenants contained herein or fails to obtain from its employees, agents, and representatives a signed Confidentiality, Non-Competition, and Non-Solicitation Agreement as required by Section 5.3(d);

(xi) There is any transfer or attempted transfer in violation of Article VI of this Agreement;

(xii) Failure to pay Franchisor any amounts due Franchisor as and when due and failure to pay amounts due to trade creditors (unless such amount is subject to a bona fide dispute); or

(xiii) Failure to comply with laws as stated in Section 2.6(e).

### **Section 7.3 - Franchisee's Obligations on Expiration or Termination.**

(a) *Obligations.* Upon the expiration or termination of this Agreement (regardless of the reason for termination),

(i) all rights granted hereunder to Franchisee shall immediately terminate;

(ii) Franchisee shall do all things necessary to bring about a complete and effective transfer of the business, and shall transfer, assign, and deliver to Franchisor or its designee (without retaining any copies for itself) all Customer Information and Customer Work Product, customer contracts whether completed or in process, all telephone numbers, domain names, and email addresses used in connection with the operation of the Franchised Business which shall become the sole and exclusive property of Franchisor;

(iii) Franchisee shall pay to Franchisor and its affiliates all amounts then owing to Franchisor and its affiliates, including but not limited to amounts owing for royalties, advertising fees, services, supplies and equipment;

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(iv) Franchisee shall cease to use the Mark and the System in any way, shall cease referring to or identifying itself as a Marblelife franchisee or a former Marblelife franchisee, and shall remove all such identifying materials from all its vehicles and premises;

(v) Franchisee shall pay all of Franchisee's creditors;

(vi) Franchisee shall submit to Franchisor a complete and accurate Customer List, throughout the term of the Agreement, including their contact information (telephone number, physical address, and e-mail address), in electronic format;

(vii) Franchisee shall turn over all past, present or prospective Customer List including customer records, including past work, past correspondence, past emails, all estimates, all work notes, an electronic back-up of their financial accounting file including passwords for access, and an electronic copy of Customer Lists and email contact lists;

(viii) Franchisee shall turn over to Franchisor a copy of its entire electronic and physical accounting file maintained for the Franchised Business. This includes the entire executable and operational electronic file (*i.e.*, soft file) of any accounting software prescribed by Franchisor and any previous versions thereof. Also included are all physical files that supplement the electronic accounting file;

(ix) Franchisee shall conduct an internet search of their franchise name and contact each internet listing to arrange for the all references to phone numbers, addresses or emails not associated with the business or being transferred over to the Franchisor to be changed or removed within 30 days of termination;

(x) Franchisee shall arrange to have any business name or DBA registrations using Marblelife cancelled within ten (10) days of termination;

(xi) Franchisee shall refrain from any customer contact without Franchisor's approval;

(xii) Franchisee will provide a list of all websites, email addresses, and phone numbers utilized in conjunction with the business which have been provided to the local customers as a contact for sales, office personnel, collections, accounts receivable, accounts payable, scheduling, operations, quality or any other function within the franchise business; and shall promptly assign the ownership and control of these to the Franchisor within ten (10) days of termination which shall become Franchisor's sole property; and

(xiii) Franchisee shall submit to Franchisor a complete listing of all employees employed throughout the term of the Agreement, including their contact information, copies of their non-compete, and personnel files within ten (10) days of termination.

(b) *Further Obligations Upon Termination.* On or before the date of expiration or termination of this Agreement, Franchisee shall promptly remove from its premises and deliver to Franchisor or otherwise dispose of as Franchisor may instruct:

(i) all letterhead, printed forms, brochures and other advertising and promotional materials and other printed materials containing the Mark or used to identify the business as a Marblelife franchisee;

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(ii) all information in Franchisee's possession relating to Franchisor, its services, or its affiliates or their services, including, but not limited to the information described in Section 5.3(a);

(iii) all Manuals and all supplements thereto; and

(iv) all sales or marketing data or market research information relating to Franchisor or any of its affiliates.

(c) *Franchisee's Infringement.* If Franchisee contests termination of the Agreement and/or fails to comply with post-termination obligations, Franchisee's operation of the Franchised Business from and after the date of termination will constitute willful trademark infringement and unfair competition by Franchisee, and Franchisee shall be liable to Franchisor for damages resulting from such infringement in addition to any fees paid or payable hereunder, including, without limitation, any profits that Franchisee has derived from such post-termination operation of the Franchised Business.

(d) *Reimbursement by Franchisor.* Franchisor shall reimburse Franchisee for the cost of all advertising and promotional materials and all product inventory returned by Franchisee; provided, however, that Franchisor shall pay for only such materials that were supplied by Franchisor and that are in good and usable condition; and provided, further, that all such materials bearing the name of Franchisee and other items which are not in good condition or are otherwise unfit for use shall be destroyed by Franchisee without cost to Franchisor.

(e) *No Compensation for Goodwill.* Neither party shall be entitled, based on the expiration of this Agreement or its termination for any reason, to any compensation, damages or payment for goodwill, notwithstanding any applicable law to the contrary.

(f) *Termination Fee.* Franchisor has an expectation that Franchisee will be open and operating for the full Term of the Agreement. An early closure reduces Franchisor's revenue and damages their image in the public. Calculating the value and expense of this injury is difficult to determine and may be hard to calculate with specificity, but the parties acknowledge the injury. Therefore, the parties have elected to agree in advance to calculation of liquidated damages to compensate Franchisor for its damages and If Franchisee prematurely closes the Franchised Business, or if Franchisor terminates this Agreement because of Franchisee's material default (which includes Franchisee's failure to pay any amounts owing to Franchisor and its affiliates), Franchisee shall pay to Franchisor, as liquidated damages and not as a penalty, damages in an amount equal to the average weekly Royalty Fee for the 26-week period immediately preceding termination, multiplied by the number of weeks remaining in the current Term of the Franchise Agreement. If the Franchised Business was close during any part of the 26-week period, then the Royalty Fee for any week or partial week in which the Store was closed will be presumed to be the highest weekly Royalty Fee payable during the 26-week period. Notwithstanding the foregoing, Franchisor will permit Franchisee to close the Franchised Business and will waive its right to collect liquidated damages and lost future profit damages based on Franchisee's premature closure of the Franchised Business if: (a) Franchisee delivers to Franchisor written notice of the proposed closure at least sixty (60) days prior to the closure, (b) the notice includes profit and loss statements for the previous 6-month period, prepared according to the accounting method uses to prepare Federal income tax reports, (c) the profit and loss statements demonstrate to Franchisor's reasonable satisfaction that the Franchised Business sustained a net cumulative loss during the 6-month period despite Franchisee's compliance with this Agreement and System, and despite that Franchisee's operating expenses were reasonable in Franchisor's sole judgment, and (d)

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Franchisee and each person who has guaranteed Franchisee's obligations under this Agreement signs a general release of all claims against Franchisor substantially in a form Franchisor prescribes.

**Section 7.4 - Cross Default.**

Any default under any agreement between Franchisee and Franchisor or its affiliates, and failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

**Section 7.5 - Franchisor's Right to Purchase Tangible Assets.**

Franchisor has the option to purchase Franchisee's interest (if any) in any or all of the Franchised Business's equipment, inventory, supplies, and related items for a purchase price equal to the lesser of Franchisee's cost or then-current fair market value, to be determined by a qualified independent third-party of Franchisor's choosing, and may set off against the purchase price any amounts that Franchisee owes to Franchisor. Franchisor shall exercise its option by written notice to Franchisee delivered before or within thirty (30) days after the date of expiration or termination of this Agreement.

**Section 7.6 - Suspension of Services During Default.**

Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates or fail to comply with any term of this Agreement, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor will have the right to take the actions set out below and continue them until Franchisee has cured the default to Franchisor's satisfaction. Franchisee waives all claims against Franchisor and its affiliates arising from any such suspension. The taking of any of the actions permitted in this Article 7 will not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or their affiliates under the terms of this Agreement. Franchisor may:

- (a) suspend Franchisee's participation in any referral, advertising, or other program Franchisor or its affiliates offer;
- (b) Remove the listing of the Franchised Business from all advertising published or approved by us;
- (c) Prohibit you from attending any meetings or seminars held or sponsored by us or taking place on our premises;
- (d) Suspend access to the Call Center, the Franchisee Portal, and any technology systems we provide to you; and/or
- (e) Suspend services provided to you by us or our affiliates under this Agreement, including but not limited to inspections, training, marketing assistance, the sale of products and supplies.

**ARTICLE VIII - REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION**

**Section 8.1 - Franchisor's Representations and Warranties.**

(a) *Franchisor's Representations.* Franchisor represents and warrants that Franchisor owns or has the right to use the Mark and the System Rights in the United States and that these do not infringe the rights of third parties.

(b) *No Other Representations.* Franchisor makes no representation or warranty not fully set forth in this Agreement or in its franchise disclosure document. Without limiting the generality of the foregoing,

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Franchisor makes no representation or warranty as to the potential profitability of the Franchised Business.

**Section 8.2 - Franchisee's Representations and Warranties.**

(a) *Franchisee's Representations.* Franchisee represents and warrants as follows:

(b) *Franchisee's Representations.* Franchisee represents and warrants as follows:

(i) If Franchisee is not a natural person, Franchisee is owned or controlled, and has the Owners, as set forth on the Legal Entity Form in Schedule B attached hereto;

(ii) Neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism (“**Blocked Persons**”). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person; and

(iii) Neither you nor your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein is now (nor will be during the term of this Agreement) identified, either by name or an alias, pseudonym, or nickname, on any of the lists of restricted or denied parties maintained by the United States government, including:

(a) “Denied Persons List” maintained by the U.S. Commerce Department’s Bureau of Industry and Security (<http://www.bis.doc.gov/dpl/Default.shtm>);

(b) “Unverified List” maintained by the U.S. Commerce Department’s Bureau of Industry and Security ([http://www.bis.doc.gov/Enforcement/UnverifiedList/unverified\\_parties.html](http://www.bis.doc.gov/Enforcement/UnverifiedList/unverified_parties.html));

(c) “Entity List” maintained by the U.S. Commerce Department’s Bureau of Industry and Security (<http://www.bis.doc.gov/Entities/Default.htm>);

(d) “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control ([www.treas.gov/offices/enforcement/ofac/](http://www.treas.gov/offices/enforcement/ofac/));

(e) “Debarred List” maintained by the Department of State (<http://pmddtc.state.gov/compliance/debar.html>); and

(f) “Nonproliferation Sanctions” maintained by the Department of State (<http://www.state.gov/t/isn/c15231.htm>).

**Section 8.3 - Indemnification.**

(a) *Franchisee's Indemnity.* Franchisee will indemnify and hold Franchisor and its affiliates, and their directors, employees and agents, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorney’s fees and disbursements, directly or indirectly relating to:

(i) the failure of any of Franchisee’s representations or warranties set forth above;

(ii) Franchisee’s failure to comply with any applicable laws, rules or regulations;

(iii) Franchisee’s incurring of any obligation binding upon Franchisor without the written approval of Franchisor;

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- (iv) the operation of Franchisee's business; or
- (v) any act, omission, or conduct of Franchisee which is not in compliance with the requirements of this Agreement.

(b) *Franchisor's Indemnity.* Franchisor will defend, indemnify and hold Franchisee and the directors, employees and agents of Franchisee harmless from and against all costs, expenses, liabilities and losses caused as a result of the failure of any of Franchisor's representations or warranties set forth above.

(c) *Notice of Indemnity Claim.* Each party will give the other notice of any claim that may require indemnification hereunder promptly after such party learns of such claim.

(d) Notwithstanding anything to the contrary, Franchisee's indemnification obligation does not extend to an indemnified party's acts or omissions amounting to gross negligence, willful misconduct, strict liability or fraud.

#### **Section 8.4 - Business Judgment.**

Notwithstanding any contrary provisions contained in this Agreement, Franchisor and Franchisee acknowledge and agree that (a) this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's explicit rights and obligations hereunder that may affect favorably or adversely Franchisee's interests; (b) Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Marblelife franchises generally (including Franchisor, and its Affiliates and other Franchisees), and specifically without considering Franchisee's individual interests or the individual interests of any other particular Franchisee (examples of items that will promote or benefit the System and Marblelife franchises generally include, without limitation, enhancing the value of the Marks and/or MARBLELIFE brand, improving customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); (c) Franchisor will have no liability to Franchisee for the exercise of its discretion in this manner; and (d) even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

#### **Section 8.5 - No Liability for Others' Products or Acts.**

Franchisor disclaims all express and implied warranties and all other liability concerning any defects, malfunctions, or other deficiencies in equipment or other products manufactured by anyone other than Franchisor or its affiliates, or such parties' acts or omissions. Franchisee agrees not to make any claims against Franchisor or their affiliates with respect to products that we and our affiliates did not manufacture, even if Franchisor or their affiliates sold Franchisee the product or designated or approved its source.

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Franchisee is required to assert any claims only against the manufacturer of the product, even if Franchisee obtained it through Franchisor or its affiliate.

**Section 8.6 - No Liability for Acts of the Other Party.**

Franchisor and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship with Franchisor is other than franchisor and franchisee. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising from Franchisee's operation of the business Franchisee conducts under this Agreement.

**Section 8.7 - No Affiliate Liability.**

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

**Section 8.8 - You May not Withhold Payments.**

Franchisee may not withhold payment of any amounts owed to Franchisor or its affiliates due to our alleged non-performance of their obligations under this Agreement or for any other reason. Franchisee specifically waives any right Franchisee has at Law or in equity to offset any monies Franchisee owes Franchisor or its affiliates or to fail or refuse to perform any of Franchisee's obligations under this Agreement.

**ARTICLE IX - MISCELLANEOUS**

**Section 9.1 - Rights of Franchisor.**

(a) *Performance by Franchisor.* If Franchisee shall fail to perform any covenant or agreement contained in this Agreement, Franchisor may perform or attempt to perform such covenant or agreement on behalf of Franchisee. In such event, Franchisee shall, at the request of Franchisor, promptly pay any amount expended by Franchisor in connection with such performance or attempted performance, together with interest thereon at the maximum rate of interest permitted by applicable law from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that Franchisor shall not have any liability or responsibility for the performance of any obligation of Franchisee under this Agreement.

(b) *Power of Attorney.* Franchisee hereby irrevocably appoints Franchisor the Franchisee's attorney-in-fact, with full authority in the place and stead of Franchisee and in the name of Franchisee or otherwise, from time to time in Franchisor's discretion to take any action and to execute any writing which Franchisor may deem necessary or advisable to accomplish the purpose of this Agreement, including without limitation, to procure, extend and renew insurance in accordance with Section 9.6 and Schedule D or to take the action contemplated by the power of attorney.

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**Section 9.2 - Relationship of the Parties.**

The parties acknowledge and agree that Franchisee is an independent contractor and not an employee or agent of Franchisor or any of its affiliates and shall have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate Franchisor or any of its affiliates. Franchisee shall not hold itself out as having such power or authority. In all dealings with suppliers and customers, Franchisee will disclose in an appropriate manner that it is an independent entity. Franchisee acknowledges and agrees that Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that Franchisee may hire to assist in the operation of their Franchised Business. Franchisee agrees that any employee, agent, or independent contractor that Franchisee hires will be their employee, agent, or independent contractor, and not Franchisor’s employee, agent, or independent contractor. Franchisee also agrees that Franchisee is exclusively responsible for the terms and conditions of employment of their employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions of their Franchised Business in compliance with federal, state, and local employment laws.

**Section 9.3 - Injunctive Relief.**

The parties acknowledge that the covenants of Franchisee set forth in Section 2.5 and Articles V, VI, and VII constitute essential elements of this Agreement and that if Franchisee fails to comply strictly with any such covenants or obligations, Franchisor will suffer immediate and irreparable harm for which no adequate remedy at law will be available. Accordingly, Franchisee consents to the entry of an injunction requiring Franchisee’s compliance with such covenants and obligations. Franchisor shall not be required to post a bond in excess of \$1000 or other security with respect to obtaining injunctive relief. Franchisee agrees that in such event, Franchisor will have a cause of action for damages or injunctive relief or both against Franchisee in a court of competent jurisdiction. In the event that Franchisor prevails in any such litigation, Franchisee shall reimburse Franchisor for all costs, attorneys’ fees, expert fees, investigation costs, and other expenses incurred by Franchisor in connection therewith.

**Section 9.4 - Insurance.**

During the term of this Agreement and any renewal hereof, Franchisee shall obtain and maintain, at its own expense, insurance of such kinds and with such limits as Franchisor shall determine from time to time. The current insurance requirements are set forth in Schedule D hereto. Each of the insurance policies listed in Schedule D shall provide that it may not be modified or canceled unless Franchisor is given at least thirty (30) days’ prior written notice by the insurance carrier. Certificates of such insurance issued by Franchisee’s insurance carriers shall be provided to Franchisor before Franchisee begins operation of its Franchised Business and subsequently, prior to the renewal or transfer of such policies. The comprehensive general liability and comprehensive automobile liability policies required under Schedule D shall name Franchisor and its officers, directors, partners, shareholders, members, regional directors, subsidiaries and Affiliates, agents, employees, successors, and assigns as additional insured. The insurance must be primary coverage without right of contribution or subrogation from Franchisor or any other Franchisor insurance. Franchisee acknowledges that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect Franchisee from losses in connection with the Franchised Business. Nothing in this Agreement prevents or restricts Franchisee from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires. Each year, we may unilaterally modify the insurance minimum coverage requirements, which may include

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an increase to the minimum coverage requirements to reflect changes in inflation, or as market conditions warrant.

Franchisor reserves the right to require Franchisee to obtain insurance policies to protect against cybersecurity threats, and accordingly, to require that Franchisor is named as additional insured on these cybersecurity insurance policies. Franchisor's insurance requirements, including types of coverages and amount may change over time.

**Section 9.5 - No Waiver of Rights.**

No delay, omission, or failure to exercise any right or remedy provided for herein shall be deemed to be a waiver thereof or acquiescence in the event giving rise to such right or remedy, but every such right or remedy may be exercised from time to time and so often as may be deemed expedient by the party exercising such right or remedy.

**Section 9.6 - Notices.**

All notices, requests, consents and other communications required or permitted by this Agreement shall be in writing and shall be delivered by hand, fax, overnight delivery service, or registered or certified first class air mail, to the following address, or such other address as either party, by like notice, shall designate with respect to its own address:

If to Franchisor: Marblelife Inc.  
2800 W. Airport Blvd.  
Sanford, Florida 32771  
Attention: President  
Fax: 866-334-5387

If to the Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

Any such notice, request, consent or other communication shall be deemed given and be effective upon receipt at such address.

**Section 9.7 - Applicable Law, Dispute Resolution.**

(a) *Choice of Law.* This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

(b) *Mediation.*

(i) The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve, but that may be resolvable through mediation. To facilitate such resolution, Franchisor, Franchisee, and each Owner agree to submit to mediation any claim, controversy or dispute between Franchisor or its affiliates (and Franchisor's and its affiliate's respective owners, officers, directors, agents, representatives and/or employees) and Franchisee or its affiliates (and Franchisee's Owners, agents, representatives and/or employees) arising out of or related to (A) this Agreement or any other agreement between Franchisor and Franchisee, (B) Franchisor's relationship with Franchisee, or (C) the validity of this Agreement or any other agreement between

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Franchisor and Franchisee, before bringing such claim, controversy or dispute in a court or before any other tribunal. Mediation must be conducted in person, and no telephonic or electronic appearance by any of the parties or their counsel is permitted except for the purposes of scheduling mediation or discussing non-material mediation-related matters.

(ii) The mediation shall be conducted by a mediator agreed upon by Franchisor and Franchisee and, failing such agreement within not more than fifteen (15) days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization (“AAA”) in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city which Franchisor designates at the time of mediation, currently Dallas, Texas. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys’ fees incurred by either party), shall be borne by the parties equally.

(iii) If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party must proceed to arbitration pursuant to Section 9.9(c) below. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

(c) *Arbitration.*

(i) If the parties are unable to resolve the claim, controversy or dispute through mediation as provided in Section 9.9(b) above, Franchisor and Franchisee agree to submit any such claim, controversy or dispute (collectively, “**Dispute**”) between Franchisor or any of its affiliates (and/or their respective shareholders, officers, directors, agents, representatives and/or employees) and Franchisee (and/or Franchisee’s owners, guarantors, agents, representatives and/or employees, as applicable) arising out of or related to (A) this Agreement or any other agreement between Franchisor and Franchisee, (B) Franchisor’s relationship with Franchisee, (C) the validity of this Agreement or any other agreement between Franchisor and Franchisee, or (D) any System standard, to arbitration.

(ii) The parties agree that notwithstanding anything to the contrary in this Agreement, Disputes shall be submitted to binding arbitration. The arbitration shall be conducted through the AAA and in accordance with the AAA’s Commercial Arbitration Rules (“**Rules**”). The arbitration shall be conducted by one (1) arbitrator selected by agreement of the parties or (in the event the parties cannot agree) in accord with the Rules. The arbitrator shall apply the Federal Rules of Evidence during the conduct of the sessions with respect to the admissibility of evidence. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1-16. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof and will be final, binding and non-appealable, except as set forth below. The arbitrator shall be required to state in writing the reasoning on which the award is based.

(iii) The place of arbitration shall be in the county in which Franchisor designates at the time of arbitration, currently set in Dallas County, Texas, unless otherwise mutually agreed between the parties. Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished its right to seek the recovery of those costs in accordance with this Section 9.9(c). The arbitrator, in the conduct of the arbitration, shall not have the authority to declare any Mark generic or otherwise invalid and, to the fullest extent permitted by law, each party waves any right to or claim for any punitive, exemplary, incidental or consequential damages against the other. The arbitrator shall be required to state in writing the reasoning on which the award is based.

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(iv) The parties agree that all Disputes submitted to arbitration shall be conducted on an individual, and not a class wide basis, and that only Franchisor (and its affiliates and its and their respective owners, officers, directors, agents and employees, as applicable) and Franchisee (and its affiliates and its and their respective owners, guarantors, officers and directors, as applicable) may be the parties to any arbitration proceeding described in this Section 9.9(c), and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other natural person, association, corporation, partnership, limited liability company, or other entity.

(v) If any party to an arbitration wishes to appeal any final award by the arbitrator, such party may appeal, within thirty (30) days of such final award, to a different arbitrator appointed in the same manner as set forth above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial de novo or other fact-finding function. The party requesting such appeal must have paid for a court reporter to make a written record of the arbitration hearing and must pay all costs charged by such appeal panel, as well as posting any bond deemed appropriate by the appeal panel. Any party that does not pay for or share in the payment for a transcript of the arbitration hearing cannot challenge any ruling by the arbitrator on appeal, even if the opposing party does appeal.”

(iv) Notwithstanding the foregoing provisions of this Section 9.7, the parties’ agreement to mediate or arbitrate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, Franchisor’s copyrighted works or Franchisor’s Confidential Information, or termination of this agreement by either party for whatever reason. Moreover, regardless of this mediation/arbitration agreement, Franchisor and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction. Any information disclosed by either party in mediation or pre-arbitration settlement discussions may only be used for those purposes and may presented as evidence in arbitration. Parties and their counsel must be present in-person for the final hearing, and any telephonic or electronic appearances are reserved for pre-hearing matters and remote non-party witnesses only. The Franchisee acknowledges and expressly agrees that the Franchisor requires strict compliance with all terms and provisions of this Section 9.7.

(d) *Venue.* Notwithstanding the foregoing provisions of this Section 9.9, the parties’ agreement to mediate or arbitrate shall not apply to any controversy, dispute or claim related to or based on amounts owed to Franchisor pursuant to this Agreement or for temporary or preliminary injunctive or other extraordinary relief sought (“**Excepted Claims**”). The parties agree (subject to state law) that any action brought by either party against the other shall be brought and maintained exclusively in the jurisdiction of the state courts of Dallas County, Texas and the federal district court of the Northern District of Texas, Dallas Division. Franchisee and the Owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. Franchisee and the Owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Texas or federal law.

**Section 9.8 - Time Limitation to Bring a Claim.**

YOU MUST BRING ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN US AND YOU WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE VIOLATION, ACT, OR CONDUCT GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM, OR YOUR CLAIM WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING, AS PERMITTED, IS COMMENCED IN THE APPROPRIATE FORUM WITHIN THIS

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TWO-YEAR PERIOD. THIS PROVISION IS INTENDED TO SHORTEN ANY APPLICABLE STATUTE OF LIMITATIONS TO THE EXTENT PERMITTED BY LAW.

**Section 9.9 - Costs.**

If Franchisor engages the services of an attorney to enforce or defend any of its rights under this Agreement or to defend claims resulting from Franchisee's operation of the Franchised Business, Franchisee agrees to reimburse Franchisor for all attorney's fees, court costs, expert fees, investigation costs, and expenses expended or incurred by Franchisor.

**Section 9.10 - Entire Agreement.**

This Agreement, together with the agreements executed simultaneously herewith (along with the disclosures made in the Franchise Disclosure Document), shall constitute the entire understanding (except for or other than those contained in the franchise disclosure document) of the parties and shall supersede any and all prior oral or written agreements between the parties with respect to the subject matter hereof. Except for those changes permitted hereunder to be made unilaterally by Franchisor, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties in writing and executed by their authorized officers. Notwithstanding the foregoing, nothing in this Agreement, the documents referred to herein, or the Schedules hereto is intended to disclaim the representations made by Franchisor in the franchise disclosure document provided to Franchisee in connection with this Agreement.

**Section 9.11 - Currency.**

All dollar amounts referred to in this Agreement are in United States dollars. At its sole discretion, Franchisor may accept payments in local currency, if agreed upon with Franchisee and in writing before payments are made. Franchisee bears the cost of currency conversion charged by its bank or the Franchisor's bank, as applicable.

**Section 9.12 - Exercise of Discretion.**

The Franchisee acknowledges that the nature of franchising is such that the Franchisor has responsibilities not only to the Franchisee but also to all other Marblelife franchisees and to the Franchisor's corporate locations, customers, employees and shareholders. The Franchisee understands that those responsibilities may sometimes conflict or be inconsistent. The Franchisee also acknowledges that the Franchisor has the right to act in its own best interest which may sometimes conflict or be inconsistent with the Franchisee's best interests. Therefore, the Franchisor will be entitled to act, make decisions and grant or withhold consents under this Agreement in the Franchisor's sole discretion, and without obligation to provide reasons, unless the Franchisor is expressly required under this Agreement to act, make decisions or grant or withhold consents reasonably; or the Franchisor is expressly prohibited under this Agreement from acting, making decisions or granting or withholding consents unreasonably. The Franchisor may, but is not required to, consult with the Franchisee before acting, making decisions or granting or withholding consents under this Agreement, unless expressly required to do so under this Agreement. The Franchisee is aware of the fact that other present or future owners or operators of Marblelife locations may operate under different forms of agreement(s), and consequently that the Franchisor's obligations and rights with respect to its various developers and franchisees may differ materially in certain circumstances.

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Franchisee Initials

**Section 9.13 - Force Majeure.**

No party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure, which shall be defined as those significant events outside the party's control, including but not limited to Acts of God, fire, flood, or other natural forces, war, acts of terrorism, civil unrest, government actions or regulations, national pandemic, or any other event similar to those enumerated above. Such excuse from liability shall be effective only to the extent and duration of the event(s) causing the failure or delay in performance and provided that the party has not caused such event(s) to occur and continues to use diligent, good faith efforts to avoid the effects of such event and to perform the obligation. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other party of the nature and extent of any such Force Majeure condition; (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement, as applicable, as soon as reasonably practicable; and (c) otherwise continue performing its obligations hereunder

**Section 9.14 - Severability.**

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

**Section 9.15 - Headings.**

The headings herein are for convenience only and shall not be deemed to affect in any way the meaning of the provisions to which they refer.

**Section 9.16 – Nonexclusivity of Remedy.**

No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

**Section 9.17 – Jury Waiver.**

**FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

**Section 9.18 – Waiver of Punitive and Consequential Damages.**

**WITH THE EXCEPTION OF FRANCHISOR'S RIGHT TO SEEK INDEMNIFICATION FOR THIRD PARTY CLAIMS AS SET FORTH IN THIS AGREEMENT AND ITS RIGHT TO SEEK RECOVERY OF LOST FUTURE PROFITS, INCLUDING LIQUIDATED DAMAGES FOR VIOLATIONS OF THE COVENANTS NOT TO COMPETE AS SET FORTH ABOVE IN THE EVENT OF YOUR BREACH OF THIS AGREEMENT, THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOSS OF REVENUES, LOSS OF PROFITS, LOSS OF TIME, INCONVENIENCE, LOSS OF USE, OR ANY OTHER INCIDENTAL, SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR**

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Franchisor Initials

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Franchisee Initials

**CONSEQUENTIAL LOSS AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.**

**Section 9.19 – CLASS ACTION WAIVER.**

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

**Section 9.20 – Public Relations and Association with Causes.**

Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor’s prior written approval. Franchisee shall not in the name of the Franchised Business or Marblelife System (a) donate money, products, or services to any charitable, political, religious, or other organization, or (b) act in support of any such organization, without the Franchisor’s prior written approval.

**Section 9.21 – No Strict Construction.**

The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.



\_\_\_\_\_  
Franchisor Initials

\_\_\_\_\_  
Franchisee Initials

**Section 9.22 - Timing.**

Time is of the essence with respect to all provisions in this Agreement. Except as set forth in Section 9.13, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

**Section 9.23 - Execution.**

The submission of an unsigned version of this Agreement to Franchisee is not an offer by Franchisor and Franchisor is not bound in any way until this Agreement is signed both by an authorized signatory for Franchisee and an officer of Franchisor.

**Section 9.24 – Counterparts.**

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

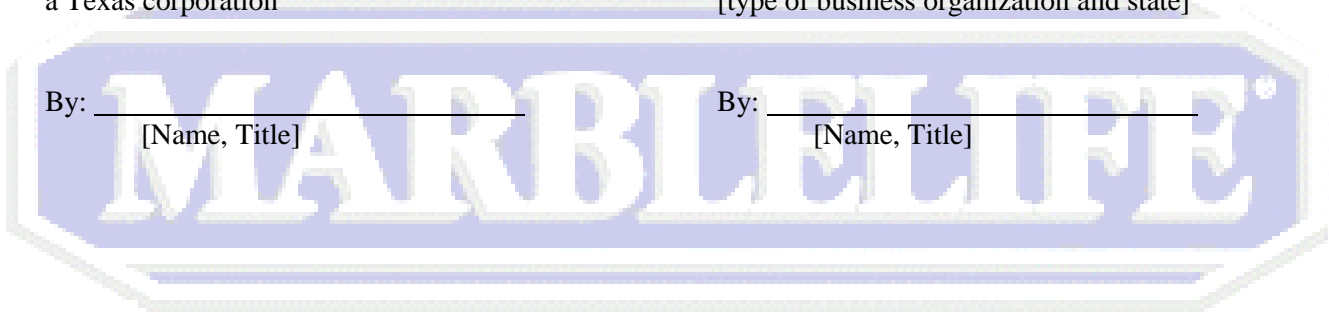
IN WITNESS WHEREOF, intending to be legally bound, the parties have signed this Agreement on the Effective Date set forth above.

**FRANCHISOR:**  
**MARBLELIFE, INC.,**  
a Texas corporation

**FRANCHISEE:**  
[Name],  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]



**CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT**

THIS CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_, by and between Marblelife, Inc., a Texas corporation having its principal business address at 2800 W. Airport Blvd., Sanford, Florida 32771 (“**we**” or “**us**”), and \_\_\_\_\_ (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

Section 3.1 is amended to read as follows:

“The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. The initial franchise fee is deemed fully earned and non-refundable upon payment.”

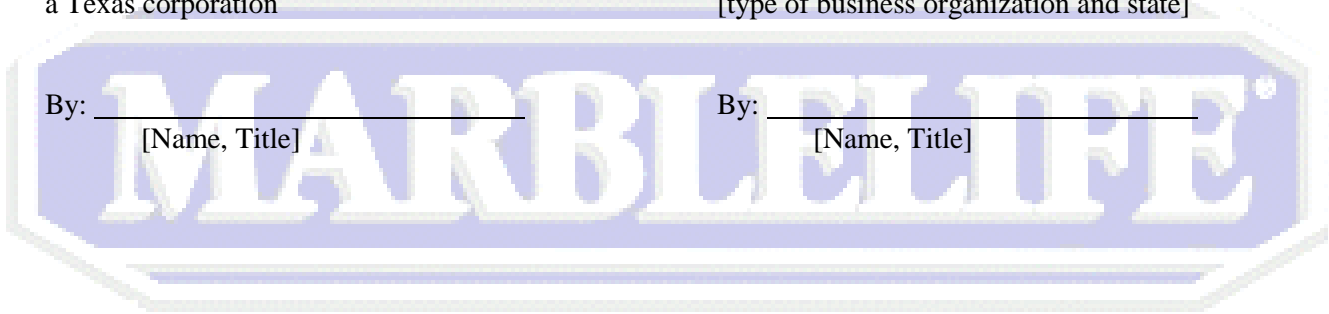
**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the Effective Date.

**FRANCHISOR:**  
**MARBLELIFE, INC.**  
a Texas corporation

**FRANCHISEE:**  
[Name]  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]



## ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

THIS ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_, by and between Marblelife, Inc., a Texas corporation having its principal business address at 2800 W. Airport Blvd., Sanford, Florida 32771 (“**we**” or “**us**”), and \_\_\_\_\_ (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1-44, (collectively, the “**Act**”). To the extent that this Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Section 41 of the Act provides that 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.
- b. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.
- c. Section 4 of the Act provides that, if this Franchise Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims.
- d. If this Franchise Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.
- e. If this Agreement requires a jury trial waiver, to the extent that such provision conflicts with the Illinois Franchise Disclosure Act, the Act will control.
- f. Franchisee’s rights upon termination and non-renewal of the Franchise Agreement are set forth in Sections 19 and 20 of the Act.

2. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act and law applicable to the provisions are met independently of this Amendment. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Amendment shall govern.

[signature page is the following page]



IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

**FRANCHISOR:**  
**MARBLELIFE, INC.**  
a Texas corporation

**FRANCHISEE:**  
[Name]  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]



**MARBLELIFE**

**MARYLAND AMENDMENT TO THE FRANCHISE AGREEMENT**

THIS AMENDMENT TO FRANCHISE AGREEMENT effective \_\_\_\_\_, (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“**Franchise Agreement**”) between Marblelife, Inc., a Texas corporation having its principal business address at 2800 W. Airport Blvd., Sanford, Florida 32771 (“**we**” or “**us**”), and \_\_\_\_\_ (“**Franchisee**”).

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement is amended as follows:

Sections 7.1 and 6.2 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise, such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.

Section 9.9 requires that the Franchise be governed by the laws of the State of Texas however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.

Sections 9.9 requires litigation to be conducted in the State of Texas; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.

Any Section of the Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise are not intended to, nor shall they act as a, release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

2. Any portion of the Franchise Agreement which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Amendment. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, and understands and consents to be bound by all of its terms.

**FRANCHISOR:**  
**MARBLELIFE, INC.**  
a Texas corporation

**FRANCHISEE:**  
[Name]  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]

## MARBLELIFE

### MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_, by and between Marblelife, Inc., a Texas corporation having its principal business address at 2800 W. Airport Blvd., Sanford, Florida 32771 (“**we**” or “**us**”), and \_\_\_\_\_ (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Franchisor will undertake the defense of any claim of infringement by third parties involving the mark, and Franchisee will cooperate with the defense in any reasonable manner required by Franchisor with any direct cost of such cooperation to be borne by Franchisor.

2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for nonrenewal of the Franchise Agreement.

3. Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 any of franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Section 3.1 is amended to read as follows:

“Section 3.1 Initial Franchise Fee.

“Based on Franchisor’s audited financial statements and in accordance with the Minnesota Franchise Act, the Minnesota Commissioner of Commerce has imposed a financial assurance requirement as a condition to becoming registered to offer and sell franchises in the state of Minnesota. Therefore, Franchisee shall pay to Franchisor an initial franchise fee in the amount stated on the Summary Page when Franchisor has completed its pre-opening obligations under this Agreement and Franchisee has commenced operations of the Franchised Business. The initial franchise fee is deemed fully earned and non-refundable upon payment.”

5. Section 9.8 (Time Limitation to Bring a Claim) is amended to provide that any claims arising under the Minnesota Franchise Act must be brought within three years after the date the cause of action occurs.

6. Section 9.17 (Jury Waiver) and Section 9.18 (Waiver of Punitive and Consequential Damages) are hereby deleted.

7. No Section providing for a general release as a condition of renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided, that this part shall not bar the voluntary settlement of disputes.

8. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). A court will determine if a bond is required.

9. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota Statutes Sections 80C.01 to 80C.22 are met independently without reference to this Amendment.

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the Effective Date.

**FRANCHISOR:**  
**MARBLELIFE, INC.**  
a Texas corporation

**FRANCHISEE:**  
[Name]  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]



**MARBLELIFE**

**VIRGINIA AMENDMENT TO FRANCHISE AGREEMENT**

THIS VIRGINIA AMENDMENT TO FRANCHISE AGREEMENT (“**Amendment**”) is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (“**Franchise Agreement**”) dated \_\_\_\_\_, by and between Marblelife, Inc., a Texas corporation having its principal business address at 2800 W. Airport Blvd., Sanford, Florida 32771 “**we**” or “**us**”), and \_\_\_\_\_ (“**Franchisee**”). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

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

2. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of Virginia Retail Franchising Act are met independently without reference to this Amendment.

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the Effective Date.

**FRANCHISOR:**  
**MARBLELIFE, INC.**  
a Texas corporation

**FRANCHISEE:**  
[Name]  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]

**SCHEDULE A**

**TERRITORY**

Franchisee shall have the right to engage in the Franchised Business in the following Territory:

**Territory Name or Number**

**Description**

**FRANCHISOR:**  
**MARBLELIFE, INC.,**  
a Texas corporation

**FRANCHISEE:**  
**[Name],**  
[type of business organization and state]

By: \_\_\_\_\_  
[Name, Title]

By: \_\_\_\_\_  
[Name, Title]



**SCHEDULE B**

**LEGAL ENTITY**

1. The undersigned each represents that the information set forth below is accurate and agrees that no change of ownership shall occur unless made in accordance with the provisions of the Marblelife Franchise Agreement.

***Franchisee Information***

The legal name of Franchisee is: \_\_\_\_\_

Franchisee is a / / sole proprietorship  
/ / corporation  
/ / limited partnership  
/ / general partnership  
/ / limited liability company  
/ / other (specify) \_\_\_\_\_

Franchisee's d/b/a (if any): \_\_\_\_\_

Franchisee's address \_\_\_\_\_

Franchisee's business phone \_\_\_\_\_ and fax \_\_\_\_\_

**Franchisee Owner Information**

Names of the owners: \_\_\_\_\_

Home address: \_\_\_\_\_

Phone number: \_\_\_\_\_

Social Security number: \_\_\_\_\_

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

Percentage ownership: \_\_\_\_\_

2. The undersigned each agrees to comply personally with the following provisions of the Marblelife Franchise Agreement: Section 2.5(a) (noncompetition), Section 5.3(confidentiality) and Section 6.2 (assignment by franchisee); and that any dispute arising with respect to the personal obligations set forth in this Legal Entity Form that cannot be resolved amicably will be resolved in accordance with Article 9 of the Marblelife Franchise Agreement. This provision will not limit any personal undertaking of Franchisee if Franchisee is a sole proprietor, nor of an Owner of Franchisee if Franchisee is an entity, under the Marblelife Franchise Agreement.

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

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

NOTES:

\*ALL LEGAL ENTITY DOCUMENTATION must be submitted to Marblelife, Inc. prior to issuance of any printed material (business cards, etc.). If documentation submitted at a later date, personalized material will be imprinted with Franchisee’s personal name.

If Franchisee is a limited partnership, a copy of the certificate of formation or its equivalent must be submitted to Marblelife, Inc. If Franchisee is a corporation or a limited liability company or other entity, a copy of the Articles of Incorporation or equivalent charter, as filed with Franchisee’s state, must be submitted to Marblelife, Inc.

\*\*If using an assumed name or d/b/a (doing business as), a true copy of the registration from the state and/or county must be submitted to Marblelife, Inc.

\*\*\* All insurance must be maintained in Franchisee’s legal name.



## SCHEDULE C

### CONTINUING GUARANTY OF OBLIGATIONS UNDER FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the execution of the Franchise Agreement (“**Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_\_, between Marblelife, Inc. (“**Franchisor**”) and \_\_\_\_\_ (“**Franchisee**”), each of the undersigned owners of Franchisee (“**Owners**”) hereby jointly and severally guarantee unto Franchisor that the Owners named herein will perform during the term of the Agreement each and every covenant, payment, agreement and undertaking on the part of Franchisee contained and set forth in such Agreement, and that Franchisee’s representations and warranties in the Agreement are true and correct.

Franchisor, its successors and assigns, may from time to time, without notice to the undersigned and without affecting the liability of the Owners under this guaranty (a) resort to any one or more of the Owners for payment of any of the liabilities of Franchisee to Franchisor (the “**Liabilities**”), whether or not it or its successors have resorted to any property securing any of the Liabilities or proceeded against any other of the Owners or any other parties primarily or secondarily liable on any of the Liabilities, (b) release or compromise any liability of any of the Owners hereunder or any liability of any party or parties primarily or secondarily liable on any of the Liabilities, and (c) extend, renew or credit any of the Liabilities for any period (whether or not longer than the original period); alter, amend or exchange any of the Liabilities; or give any other form of indulgence, whether under the Agreement or not.

Each of the Owners agrees to comply with and abide by the restrictive covenants and nondisclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the proprietary rights and transfers, to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions, except to the extent otherwise required by the Agreement. These obligations of the Owners shall survive any expiration or termination of the Agreement or this guaranty.

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

The Owners agree to pay all expenses paid or incurred by Franchisor in enforcing the Agreement and this guaranty against Franchisee and against the Owners and in collecting or attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys’ fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents, its successors or assigns, with respect to the Agreement shall in no way modify or amend this guaranty, which shall be continuing absolute, unconditional and irrevocable.

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

IN WITNESS WHEREOF, each of the Owners has executed this guaranty effective as of the date of the foregoing Agreement.

Witness \_\_\_\_\_ Guarantor \_\_\_\_\_

Witness \_\_\_\_\_ Guarantor \_\_\_\_\_

Witness \_\_\_\_\_ Guarantor \_\_\_\_\_



## SCHEDULE D

### INSURANCE COVERAGE

(Referred to in Section 9.6)

Franchisee shall obtain and maintain insurance of at least the following types and limits, on terms satisfactory to Franchisor, with a reputable and financially strong independent insurance carrier rated at a minimum A by Best, Aa by Moody's and AA by Standard & Poor's, which carrier is satisfactory to Franchisor:

1. Broad form comprehensive general liability coverage, including contractual liability coverage including but not limited to the liability assumed under Section 8.3. Limits shall not be less than \$2,000,000 per occurrence and in the aggregate. Such insurance shall not have a deductible in excess of \$5,000.
2. Worker's Compensation and Employer's Liability Insurance in accordance with statutory requirements.
3. Fire and Extended Coverage Insurance on Franchisee's business premises, vehicle(s) and property in an amount adequate to replace them in the event of an insured loss.
4. Business Interruption Insurance in sufficient amounts to cover the rental of the business premises, vehicle(s), previous profit margins, maintenance of competent personnel and other fixed expenses.
5. Comprehensive Automobile Liability coverage for all owned, non-owned and hired vehicles with bodily injury limits of no less than \$2,000,000 per person and per accident, and property damage limits of no less than \$2,000,000 per accident.

The insurance certificates with respect to paragraphs 1 and 5 must name Marblelife, Inc. as additional insured. The insurance must be primary coverage without right of contribution or subrogation from Franchisor any other Franchisor insurance.

## SCHEDULE E

### MARBLELIFE, INC.

#### CONFIDENTIALITY, NON-COMPETITION, AND NON-SOLICITATION AGREEMENT

(for trained employees of Franchisee)

In accordance with the terms of this Confidentiality, Non-Competition, and Non-Solicitation Agreement (this “**Confidentiality Agreement**”) and in consideration of my being a \_\_\_\_\_ of \_\_\_\_\_ (the “**Franchisee**”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. \_\_\_\_\_, doing business as \_\_\_\_\_ (the “**Franchisee**”), has acquired the right from, and undertook the obligation to, Marblelife, Inc., a Texas corporation (“**Marblelife**”), to establish and operate a franchised business (the “**Franchised Business**”) and the right to use in the operation of the Franchised Business Marblelife’s trade names, trademarks, service marks, and the system developed by Marblelife and/or its affiliates for operation and management of Franchised Businesses (the “**System**”), as they may be changed, improved, and further developed from time to time in Marblelife’s sole discretion.

2. Marblelife possesses certain proprietary and confidential information relating to the operation of the System, which includes its operations manuals, trade secrets, copyrighted materials, methods, the names and contact information for all customers, former customers, and prospective customers of the Franchised Business, technical bulletins and other directives, all customer data that exists in accounting files, customer relationship management software, or other files (including, without limitation, contract drawings, receipts, maintenance plans, restoration plans, proposals and other work product, all non-public know-how, technical knowledge, business plans, marketing information, financial information and all other non-public information, other techniques, and know-how (collectively, the “**Confidential Information**”).

3. Any other proprietary information which Marblelife specifically designates as confidential shall also be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. As \_\_\_\_\_ of the Franchisee, Marblelife and Franchisee will disclose the Confidential Information to me to facilitate my ongoing training and my performance under Marblelife’s operations manual (the “**Manual**”), and to provide other operational assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. Confidentiality Agreement. The Confidential Information is proprietary, involves trade secrets of Marblelife, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information. Unless Marblelife otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as \_\_\_\_\_ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Non-Competition Agreement. I shall not, while in my position with the Franchisee, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business that restores, preserves, cleans, seals, repairs, and cares for concrete, marble, granite, slate, flagstone, limestone, quarry, tile, terrazzo, brick, grout, vinyl, and other organic and inorganic surfaces and manmade aggregates, and repairs, cleans, grinds,

polishes, stains, seals, coats, and densifies concrete surfaces, and sells treatments and coatings for these surfaces (“**Prohibited Activities**”), anywhere in the United States. Furthermore, except as otherwise approved in writing by Marblelife, I shall not, for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for 18 months thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company perform any Prohibited Activities within the Franchisee’s territory, within ten (10) miles of the perimeter of Franchisee’s territory, within the territory of another Marblelife-owned business as those territories are defined in another Marblelife franchisees’ franchise agreement or within ten (10) miles of the perimeter of another Marblelife franchisee’s territory. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly-held corporation. Further, upon cessation or termination of my position with Franchisee, I shall forfeit all physical and electronic originals or copies of Confidential Information to Franchisee immediately.

8. Non-Solicitation Agreement. Except as otherwise approved in writing by Marblelife, I shall not, while employed or in my position with the Franchisee and for a period of 24 months following the termination of my employment or position for any reason, whether voluntarily or involuntarily and with or without good cause, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company, solicit or provide services to any customer of the Franchised Business, or to any person (natural person or business entity) who was a customer of the Franchised Business within the 24-month period prior to termination of my employment or position. I shall not otherwise attempt to, directly or indirectly, interfere with the Marblelife, Franchisee, or any other Marblelife franchisee’s business or its relationship with its employees, current or prospective customers, vendors, or suppliers.

9. Scope. I understand and acknowledge that Marblelife shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Severability. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Marblelife is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Confidentiality Agreement.

11. Indemnity. Marblelife is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Marblelife and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Marblelife may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Marblelife all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Marblelife, any claim I have against the Franchisee or Marblelife is a separate matter and does not entitle me to violate, or justify any violation of this Confidentiality Agreement.

12. Choice of Law and Venue. This Confidentiality Agreement shall be construed under the laws of the State of Texas. With the exception of Section 10 above, the only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state

courts located in Dallas County, Texas, and the United States District Court for the Northern District of Texas, Dallas Division. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Texas as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Marblelife or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

**[EMPLOYEE]**

**ACKNOWLEDGED BY FRANCHISEE**

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

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

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

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

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

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

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

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

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



**SCHEDULE F**  
**Transfer of Service Agreement**

\_\_\_\_\_  
(Name of Telephone Company or Cellular Phone Provider)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

**Transfer of Service Agreement**

In the event Marblelife Franchise is discontinued for any reason, I hereby release the use of the following telephone number(s): \_\_\_\_\_ which were used in conjunction with the said Franchise to Marblelife, Inc., or its designee.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Present Customer's Signature**

SWORN AND SUBSCRIBED before me by the said \_\_\_\_\_ on  
the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
**Notary Public, State of** \_\_\_\_\_

.....  
I hereby assume and agree to pay all charges outstanding, either billed or unbilled, including White Pages directory charges, on the telephone number(s) listed above.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Present Customer's Signature**

SWORN AND SUBSCRIBED before me by the said \_\_\_\_\_ on  
the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
**Notary Public, State of** \_\_\_\_\_





**LIST OF FRANCHISEES  
AS OF MARCH 31, 2021**

<b>Territory</b>	<b>Franchise Contact</b>	<b>Street Address</b>	<b>City</b>	<b>ST</b>	<b>Zip</b>	<b>Phone</b>
<b>ALABAMA</b>						
Huntsville	Brad Hall	221 Pebblestone Dr.	Huntsville	AL	35806	256-763-1232
Mobile	Dave DeBlander	3255 Potter Avenue	Pensacola	FL	32505	850-484-8500
<b>CALIFORNIA</b>						
Fresno	Brian Jensen	5502 W. Mission Ave. Suite 101	Fresno	CA	93772	559-276-0648 888-579-8786
Sacramento	Brian Jensen	5502 W. Mission Ave. Suite 101	Fresno	CA	93772	559-276-0648 888-579-8786
Orange County	Ken Rogers Linda Rogers	27665 Forbes Road Suite 2	Laguna Niguel	CA	92677	949-582-3277
Los Angeles (South)	Keith DeVries	6185 Magnolia Ave. Ste. 261	Riverside	CA	92506	310-478-0606
San Diego	Keith DeVries	6185 Magnolia Ave. Ste. 261	Riverside	CA	92506	310-478-0606
<b>CONNECTICUT</b>						
Connecticut	Dan Arsenault	P.O. Box 67	Stevenson	CT	06491	877-426-3811
<b>FLORIDA</b>						
Orlando (Central)	Mike Freitag	658 Douglas Ave. Suite 1108	Altamonte Springs	FL	32714	407-862-1998
West Palm (SE FL)	Bill DeCapua	942 Clint Moore Road	Boca Raton	FL	33487	954-984-8300
Gainesville	Wes Haigh; Davina Haigh	995 Thelma Street	Orange City	FL	32763	904-296-2949
Jacksonville (NE FL)	Wes Haigh; Davina Haigh	995 Thelma Street	Orange City	FL	32763	904-296-2949
Pensacola (NW FL)	Dave DeBlander	3255 Potter Avenue	Pensacola	FL	32514	850-484-8500
Sarasota	Chris Hudson	4302 East 10 <sup>th</sup> Avenue Unit 205	Tampa	FL	33605	941-756-6789 813-661-4866
Tampa Bay	Chris Hudson	4302 East 10 <sup>th</sup> Avenue Unit 205	Tampa	FL	33605	941-756-6789 813-661-4866
<b>GEORGIA</b>						
Atlanta	Bie Sunderland	4235 Steve Reynolds Blvd., Suite B	Norcross	GA	30093	770-717-8100
<b>ILLINOIS</b>						
Chicago (North)	Eric Swanson	1935 Brandon Court Suite A	Glendale Heights	IL	60139	866-967-4642
<b>INDIANA</b>						
Indianapolis	Mike Brommeland	21797 Booker Court	Sheridan	IN	46069	937-231-7787
<b>KENTUCKY</b>						
Louisville (Central)	Eddie Miller	106 Pike Street	Bromley	KY	41016	502-263-7890

Territory	Franchise Contact	Street Address	City	ST	Zip	Phone
						859-344-9950
<b>LOUISIANA</b>						
New Orleans	Paul Stewart	P.O. Box 8836	Metairie	LA	70011	504-833-8233
<b>MASSACHUSETTS</b>						
Springfield (Western)	Mike Barbieri	126 Belleclaire Avenue	Long Meadow	MA	01106	413-348-9652
<b>MICHIGAN</b>						
Detroit (SE MI) <sup>1</sup>	Kirk Van Meerbeeck	31780 Eight Mile Road	Farmington Hills	MI	48336	248-866-3227
Western Michigan	Kirk Van Meerbeeck	31780 Eight Mile Road	Farmington Hills	MI	48336	248-866-3227
<b>MINNESOTA</b>						
Minneapolis	Russ Hinderscheit	27875 Old Town Road	Chisago City	MN	55013	952-828-9488
<b>MISSOURI</b>						
St. Louis	Jim Zemek	116 May Road, Unit D	Wentzville	MO	63385	888-678-9013
<b>NEBRASKA</b>						
Omaha	Bill Vodvarka	303 S. 51 <sup>st</sup> Avenue	Omaha	NE	68132	402-202-6559
<b>NORTH DAKOTA</b>						
Fargo	Jeremy Moen	2207 10th Court West	Fargo	ND	58078	320-304-0513
<b>OHIO</b>						
Columbus (Central)	Gary Allen	P.O. Box 98	Reynoldsburg	OH	43068	614-837-6146
Cincinnati	Eddie Miller	106 Pike Street	Bromley	KY	41016	859-344-9950
Cleveland	Kirk Van Meerbeeck	31780 Eight Mile Road	Farmington Hills	MI	48336	248-866-3227
Toledo <sup>1</sup>	Kirk Van Meerbeeck	31780 Eight Mile Road	Farmington Hills	MI	48336	248-866-3227
<b>PENNSYLVANIA</b>						
Philadelphia	Nick Danella	811 Scotia Road	Philadelphia	PA	19128	484-843-3332
Pittsburgh	Bob Beveridge	115 Churchill Road	Turtle Creek	PA	15145	215-486-6241
<b>SOUTH CAROLINA</b>						
Greenville	Norbert Sigling	21 Garraux Street	Greenville	SC	29609	888-627-2530
<b>TENNESSEE</b>						
Nashville	Tim Richards	365 Fairview Drive	Paducha	KY	42001	270-217-6121
<b>TEXAS</b>						
Dallas (North)	Sarah Boltz; Patrick Boltz	3425 Raider Drive Suite 3B	Hurst	TX	76053	817-318-5678
San Antonio	Sean Abrams Amanda Abrams	230 Belfast Drive	San Antonio	TX	78209	210-279-5939
Houston	Patrick Boltz	3425 Raider Drive, Suite 3B	Hurst	TX	76053	972-533-4588
Houston (West)	Greg Mickels	18000 Groeschke Road, Unit E6	Houston	TX	77084	832-389-6820

Territory	Franchise Contact	Street Address	City	ST	Zip	Phone
<b>UTAH</b>						
Utah	Scott Harding	3845 Marsha Drive	Salt Lake City	UT	84128	801-955-0246
<b>WASHINGTON</b>						
Portland	Vince Ayers	3402 C Street NE, #105	Auburn	WA	98002	253-333-8156

<sup>1</sup> The Toledo, Ohio market is serviced by our franchise in the Detroit, Michigan market.

**LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT  
BUT OUTLET NOT OPENED AS OF MARCH 31, 2021**

Territory	Franchise Contact	Street Address	City	ST	Zip	Phone
<b>Colorado</b>						
Denver	Shawn Miller	730 E. Bridge Street	Brighton	CO	80601	303-941-9970
Virginia Beach	Hobie Ritzal	4016 Glen Road	Virginia Beach	VA	23452	757-633-5229

**LIST OF FRANCHISES OPENED DURING THE PERIOD  
APRIL 1, 2020 THROUGH JULY 31, 2020**

Territory	Franchise Contact	Street Address	City	ST	Zip	Phone
<b>Colorado</b>						
Denver	Shawn Miller	730 E. Bridge Street	Brighton	CO	80601	303-941-9970
Virginia Beach	Hobie Ritzal	4016 Glen Road	Virginia Beach	VA	23452	757-633-5229

## EXHIBIT E

### LIST OF FORMER FRANCHISEES

Listed below are the name and last known city and state, and telephone number of every Marblelife Franchisee who has had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the fiscal year ended March 31, 2021, or has not communicated with us within 10 weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

### LIST OF FRANCHISEES WHO LEFT THE SYSTEM AS OF MARCH 31, 2021

Franchise Contact	City	State	Phone or Email
Tim Richards <sup>1</sup>	Paducha	KY	270-217-6121
Jim Zemek <sup>1</sup>	Kansas City	MO	888-678-9013
Doug Snyder <sup>2</sup>	Las Vegas	NV	702-302-8276
Howard Partridge	Fort Bend	TX	713-784-4648

1. Franchisee operates another outlet in the System.

2. Deceased.



**EXHIBIT F**  
**FINANCIAL STATEMENTS**



**MARBLELIFE, Inc.**  
**Balance Sheet**  
As of December 31, 2021

	Dec 31, 21
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of America Checking Acct	6,024.24
Bank of America Wire Acct	16,224.65
<b>Total Checking/Savings</b>	22,248.89
<b>Accounts Receivable</b>	
<b>Accounts Receivable</b>	
Due from Franchise Sourcing	-650.53
Accounts Receivable - Other	-824.42
<b>Total Accounts Receivable</b>	-1,474.95
Due from Ad Fund	19,628.70
<b>Total Accounts Receivable</b>	18,153.75
<b>Other Current Assets</b>	
Accrued Interest Receivable	1,620.94
Accrued Receivables	20,146.30
Allowance For Doubtful Accounts	-8,526.63
Current Portion of N/R	21,913.43
Due from Services	39,895.60
ML Distribution LOAN	35,924.54
Undeposited Funds	-6,255.96
<b>Total Other Current Assets</b>	104,718.22
<b>Total Current Assets</b>	145,120.86
<b>Fixed Assets</b>	
Accumulated Depreciation	-43,502.59
Computers	15,018.60
Equipment	19,486.18
Furniture and Fixtures	16,141.87
Leasehold Improvements	10,132.62
NTC Library and Books	12,000.00
<b>Total Fixed Assets</b>	29,276.68
<b>Other Assets</b>	
Accumulated Amortization	-43,215.14
Contra - Notes Receivable	-21,913.43
<b>Notes Receivable</b>	
CA-Los Angeles	
CA-Los Angeles South-Note 3	2,370.43
<b>Total CA-Los Angeles</b>	2,370.43
CA-San Diego-Note	
CA-San Diego-Van	4,640.66
CA-San Diego-Note - Other	1,402.15
<b>Total CA-San Diego-Note</b>	6,042.81
Franchise Sourcing	664.63
I-SA South Africa	7,062.35
MO-StLouis 6500	7,735.43
OR-Portland-Note - 5.5%	1,955.01
PA-Pitt Notes	
PA-Pittsburgh-Note 7%	321.44
PA-Pittsburgh 1.17%	4,414.57
<b>Total PA-Pitt Notes</b>	4,736.01
SC-Greenville - Note	1,692.80
TX-Houston - Note	117,872.40

**MARBLELIFE, Inc.**  
**Balance Sheet**  
As of December 31, 2021

	Dec 31, 21
TX-San Antonio	15,000.00
<b>Total Notes Receivable</b>	165,131.87
Security Deposit	1,882.20
Start Up Costs	43,215.14
<b>Total Other Assets</b>	145,100.64
<b>TOTAL ASSETS</b>	<b>319,498.18</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	12,893.51
<b>Total Accounts Payable</b>	12,893.51
<b>Credit Cards</b>	
INC BOA Corp Card #2152	1,192.48
<b>Total Credit Cards</b>	1,192.48
<b>Other Current Liabilities</b>	
<b>Deferred Officer Pay</b>	
Mayr - Deferred Pay	171,715.86
Williams-MLD Deferred	9,559.40
Williams - Deferred	
Vacation Benefits	2,348.44
Williams--INC Deferred	184,106.04
<b>Total Williams - Deferred</b>	186,454.48
<b>Total Deferred Officer Pay</b>	367,729.74
Deferred Revenue Franchise Fee	15,000.00
Due to Ad Fund	7,562.85
Due to Franchise Sourcing	6,333.25
South Africa Collateral	3,880.38
<b>2100 · Payroll Liabilities</b>	
401 K Employer/Employees	2,811.99
FL Unemployment Tax	-2.13
Medicare Payable - EE	69.75
Medicare Payable - ER	-69.74
Social Security Payable - EE	1,608.86
Social Security Payable - ER	-1,608.89
2100 · Payroll Liabilities - Other	0.01
<b>Total 2100 · Payroll Liabilities</b>	2,809.85
<b>Total Other Current Liabilities</b>	403,316.07
<b>Total Current Liabilities</b>	417,402.06
<b>Long Term Liabilities</b>	
PPP Loan	41,088.00
<b>Total Long Term Liabilities</b>	41,088.00
<b>Total Liabilities</b>	458,490.06
<b>Equity</b>	
Common Stock	500.00
Paid-in Capital	149,500.00
3900 · Retained Earnings	-159,676.17
Net Income	-129,315.71
<b>Total Equity</b>	<b>-138,991.88</b>

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01/04/22

Accrual Basis

**MARBLELIFE, Inc.**  
**Balance Sheet**  
As of December 31, 2021

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	Dec 31, 21
TOTAL LIABILITIES & EQUITY	<u>319,498.18</u>



**MARBLELIFE, Inc.**  
**Profit & Loss**  
 April through December 2021

	Apr - Dec 21
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Ad Fund Management Fees	57,750.00
Interest - Promissory Notes	205.86
Sales	340.88
Sales - Franchise Renewal	7,500.00
Sales - Franchise Services	15,023.94
Sales - Late Fees	3,049.24
Sales - Royalties	553,421.06
<b>Total Income</b>	637,290.98
<b>Cost of Goods Sold</b>	
Commissions on Franchise Sales	26,750.00
<b>Total COGS</b>	26,750.00
<b>Gross Profit</b>	610,540.98
<b>Expense</b>	
*Field Support	2,785.48
*Franchise Services	36.53
*Territory Purchase	19,507.27
401K Company Contribution	2,762.38
Accounting Firm	12,098.86
Advertising	3,650.00
Automobile - Corporate	11,338.38
Cleaning Service	1,449.85
Computer	14,462.61
Convention	23,063.08
Equipment Rental - Corporate	861.22
FACILITY	27,636.75
FINANCIAL	34,194.88
Franchise Development	10,893.05
Legal	5,884.00
Marketing	490.00
Meals/Entertainment	90.50
OFFICE	3,000.36
PEOPLE	334,151.12
Research and Development	1,576.02
Telephone	443.15
Telephone - Cellular	3,389.88
Travel	378.25
<b>Total Expense</b>	514,143.62
<b>Net Ordinary Income</b>	96,397.36
<b>Other Income/Expense</b>	
Other Income	
Other Income	34,742.00

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01/04/22

Accrual Basis

**MARBLELIFE, Inc.**  
**Profit & Loss**  
April through December 2021

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	<u>Apr - Dec 21</u>
Total Other Income	34,742.00
Other Expense	
Bad Debt	43,418.77
Finance Charge	68.01
Legal - Franchise Compliance	1,000.00
MARBLELIFE IT System	24,116.07
Mgmt - Pay and Benefits	191,067.32
Mgmt - Telephone - Cellular	715.18
Other Taxes (Non-Payroll)	69.72
Total Other Expense	<u>260,455.07</u>
Net Other Income	<u>-225,713.07</u>
Net Income	<u><u>-129,315.71</u></u>

MARBLELIFE, INC.

Audited Financial Statements

March 31, 2021, March 31, 2020, March 31, 2019

**Marblelife, Inc.**  
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**March 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders  
Marblelife, Inc.  
Sanford, Florida

We have audited the accompanying balance sheets of Marblelife, Inc. (a Texas corporation) as of March 31, 2021, 2020, and 2019 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marblelife, Inc., as of March 31, 2021, 2020, and 2019, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Goodfellow & Company, CPA, Inc.*

Goodfellow & Company CPA, Inc.  
DeLand, Florida  
October 27, 2021

**MARBLELIFE, INC.****BALANCE SHEET**

March 31, 2021, March 31, 2020 and March 31, 2019

	ASSETS		
	2021	2020	2019
<b>Current Assets</b>			
<b>Cash and Cash Equivalents</b>	\$ 27,130	\$ 11,420	\$ (4,294)
<b>Receivables</b>			
Royalties and franchise fees	216,532	107,202	87,876
Related parties	105,875	41,620	112,761
Current portion of notes receivable	30,912	39,458	884
Less: Allowance for doubtful accounts	(13,284)	(11,559)	(47,173)
<b>Total Receivables</b>	<u>340,035</u>	<u>176,721</u>	<u>154,348</u>
<b>Other Current Assets</b>	2,303	18,008	535
<b>Total Current Assets</b>	<u>369,468</u>	<u>206,149</u>	<u>150,589</u>
<b>Property and Equipment</b>			
Furniture, fixtures and equipment	43,438	36,076	36,594
NTC library	12,000	12,000	12,000
Leasehold improvements	10,133	10,133	10,133
Less: Accumulated depreciation and amortization	(52,240)	(44,506)	(44,470)
<b>Total Property and Equipment</b>	<u>13,331</u>	<u>13,703</u>	<u>14,257</u>
<b>Notes Receivable, less current portion</b>	74,066	37,096	20,000
<b>Other Assets</b>	<u>1,882</u>	<u>1,882</u>	<u>1,882</u>
<b>Total Assets</b>	<u>\$ 458,747</u>	<u>\$ 258,830</u>	<u>\$ 186,728</u>

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

**MARBLELIFE, INC.****BALANCE SHEET**

March 31, 2021, March 31, 2020 and March 31, 2019

## LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Current Liabilities</b>			
Accounts payable	\$ 6,439	\$ 21,481	\$ 60,661
Accounts payable - attorneys' fees	-	-	236,559
PPP Loan	37,500		
Deferred liabilities	369,986	367,729	345,666
Deferred Revenue	15,000	15,000	-
Accrued liabilities and payroll liabilities	(20)	(20)	49
<b>Total Current Liabilities</b>	<u>428,905</u>	<u>404,190</u>	<u>642,935</u>
<b>Total Liabilities</b>	<u>428,905</u>	<u>404,190</u>	<u>642,935</u>
<b>Stockholders' Equity</b>			
Common stock, \$.01 par value, authorized 60,000 shares, issued and outstanding 50,000 shares	500	500	500
Additional paid-in capital	149,500	149,500	149,500
Retained Earnings	(120,158)	(295,360)	(606,207)
<b>Total Stockholders' Equity</b>	<u>29,842</u>	<u>(145,360)</u>	<u>(456,207)</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 458,747</u>	<u>\$ 258,830</u>	<u>\$ 186,728</u>

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

**MARBLELIFE, INC.**  
STATEMENT OF INCOME

For the Fiscal Years Ended March 31, 2021, March 31, 2020 and March 31, 2019

	2021	2020	2019
<b>Revenues</b>			
Royalties	\$ 640,163	\$ 779,615	\$ 734,852
Franchise and territory sales	366,074	324,381	45,922
Service and other operating income	11,802	6,050	18,298
<b>Total Revenues</b>	1,018,039	1,110,046	799,072
<b>Cost of Goods Sold</b>	-	9,158	-
<b>Gross Profit</b>	1,018,039	1,100,888	799,072
<b>General and Administrative Expenses</b>	889,418	963,127	909,974
<b>Operating Income (Loss)</b>	128,621	137,761	(110,902)
<b>Other Income (Expense)</b>			
Interest income	2,453	781	2,243
Other income	1,473	-	11,397
Gain (Loss) on fixed assets	-	-	-
Legal expenses	(675)	(4,269)	(750)
Interest expense	-	-	-
Other non-deductible expenses	-	-	(154)
<b>Total Other Income (Expense)</b>	3,251	(3,488)	12,736
<b>Income Before Federal and State Income Taxes</b>	131,872	134,273	(98,166)
Federal and State Income Taxes			
Gain(Loss) on Extraordinary Items	-	176,574	(1,635)
<b>Net Income (Loss) After Taxes &amp; Extraordinary Items</b>	\$ 131,872	\$ 310,847	\$ (99,801)

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



**MARBLELIFE, INC.**  
**STATEMENT OF RETAINED EARNINGS**  
For the Fiscal Years Ended March 31, 2021, March 31, 2020 and March 31, 2019

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance at March 31, 2018	<u>50,000</u>	<u>\$ 500</u>	<u>\$ 149,500</u>	<u>\$ (506,406)</u>	<u>\$ (356,406)</u>
Net Income - 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,801)</u>	<u>\$ (99,801)</u>
Balance at March 31, 2019	<u>50,000</u>	<u>\$ 500</u>	<u>\$ 149,500</u>	<u>\$ (606,207)</u>	<u>\$ (456,207)</u>
Net Income - 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,847</u>	<u>\$ 310,847</u>
Balance at March 31, 2020	<u>50,000</u>	<u>\$ 500</u>	<u>\$ 149,500</u>	<u>\$ (295,360)</u>	<u>\$ (145,360)</u>
Net Income - 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,872</u>	<u>\$ 131,872</u>
Adjustments to Retained Earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,330</u>	<u>\$ 43,330</u>
Balance at March 31, 2021	<u>50,000</u>	<u>\$ 500</u>	<u>\$ 149,500</u>	<u>\$ (120,158)</u>	<u>\$ 29,842</u>

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

**MARBLELIFE, INC.**

STATEMENT OF CASH FLOWS

For the Fiscal Years Ended March 31, 2021, March 31, 2020 and March 31, 2019

	2021	2020	2019
<b>Cash flows from operating activities</b>			
Net Income (Loss)	\$ 131,872	\$ 310,847	\$ (99,801)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation expense	7,734	2,037	1,003
(Increase) Decrease in accounts receivable	(103,555)	(5,473)	(18,948)
(Increase) Decrease in related party balance	(48,152)	71,120	36,690
(Increase) Decrease in other current assets	(329)	(17,470)	(288)
Increase (Decrease) in accounts payable	(19,484)	(39,180)	17,255
Increase (Decrease) in accounts payable - attorneys' fees	-	(236,559)	(3,583)
Increase (Decrease) in ad fund	(2,967)	(13,853)	2,361
Increase (Decrease) in deferred liabilities	(3,070)	38,012	38,193
Increase (Decrease) in payroll liabilities	-	(49)	(5,862)
Net cash provided (used) by operating activities	(37,951)	109,432	(32,980)
<b>Cash flows from investing activities</b>			
(Purchase)Disposition of furniture, fixtures and equipment	(7,362)	518	-
Accumulated Depreciation	7,734	(2,001)	-
Net cash provided (used) by investing activities	372	(1,483)	-
<b>Cash flows from financing activities</b>			
Increase (Decrease) funding notes receivable	37,500	(55,670)	(20,000)
Increase (Decrease) in Government Money	43,300		
Increase (Decrease) in deferred revenue	-	15,000	
(Increase) Decrease notes receivable	(28,424)	-	42,796
Increase (Decrease) in allowance for doubtful accounts	1,725	(35,615)	636
Increase (Decrease) in note to stockholder	(812)	(15,950)	2,742
Net cash provided (used) by financing activities	53,289	(92,235)	26,174
Net increase (decrease) in cash	15,710	15,714	(6,806)
Beginning Cash	11,420	(4,294)	2,512
Ending Cash	27,130	\$ 11,420	\$ (4,294)
<b>Supplemental Cash Flow Disclosures</b>			
Cash paid for advertising expense	625	5,205	10,348
Cash paid for interest	-	1,755	-

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

**MARBLELIFE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**Note 1. BUSINESS ACTIVITY**

The Company engages in providing hard surface restoration and care services via its network of specialty hard surface restoration and care franchises. The Company moved its headquarters from Michigan to Texas in 1997 and from Texas to Florida in 2005. The history of the Company's franchise portfolio is as follows:

Year	United States	International	Related Party or Corporation Owned *	Total
2021	41	6	0	47
2020	41	6	0	47
2019	30	7	0	37

MARBLELIFE, Inc. has recruited, trained and launched one additional franchisee since the closing of the financial audit, March 31, 2021, there are five (5) additional franchisees in the pipeline that will bring the total to 52 franchises.

**Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Company operates under the accrual method of accounting. Under this method revenues are recognized when earned and expenses are recognized when incurred.

In accordance with Statements on Financial Accounting Standards No. 45, revenue from franchise sales is recognized when the Company has substantially performed all material services or conditions.

Cash and Cash Equivalents

Cash and cash equivalents for purposes of cash flows consist of cash in banks.

Trade Accounts Receivable

Trade accounts receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projections of trends. Accounts are considered past due when payment is not made under the terms of the transaction and are written off when owners disenfranchise.

Property and Equipment

Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred, except for major renewals and betterments, which are capitalized. Depreciation is calculated using accelerated methods over the estimated useful lives of the respective assets.

**MARBLELIFE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

Concentrations of Credit Risk

Concentrations of credit risk consist of cash, accounts receivable and notes receivable. The Company, by policy, limits amounts of exposure of cash to any one financial institution. Accounts receivable are due from franchises for royalties and advertising fund fees. Accounts receivable from related parties are due from companies with common ownership, and are considered by the common owners to be fully collectible. Notes receivable are due from franchises.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 was \$231,737, \$228,886, and \$212,556, respectively.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated values.

Federal Income Taxes

The Company provides for income taxes using federal and state income taxes currently payable and those deferred taxes that arise because of temporary differences between the financial statements and the tax basis of accounting for assets and liabilities.

Long-Lived Assets

The company periodically reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flow expected to result from the use of the asset and its eventual disposition is less than its carrying amount. At March 31, 2021, March 31, 2020, and March 31, 2019 no such impairment losses were identified by the Company.

Deferred Salary and Liabilities

Management agreed to forgo 20% of their salary in order to accelerate investments in the franchise support team including expansions in the marketing department and network recruitment departments, while also addressing legal fees and expenses associated with MARBLELIFE Inc.'s successful legal defense of its non-compete and franchise contract when a franchise sought to not renew but continue to operate. This resulted in MARBLELIFE, Inc.'s marketing program being declared proprietary by the US District Court, making MARBLELIFE, Inc. the only franchise of any kind in US history to have had its marketing program declared proprietary. MARBLELIFE, Inc. successfully retired the legal expenses in 2019. MARBLELIFE, Inc. added eight (8) new franchisees in 2019 through 2021 as a direct result of these investments.

Deferred salaries represent the vast bulk of the Deferred Liabilities on MARBLELIFE Inc.'s balance sheet. MARBLELIFE, Inc. began to pay the deferred salaries in 2021.

**MARBLELIFE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

Fair Value of Financial Instruments

In accordance with the reporting requirements of SFAS No. 107, Disclosures About Fair Value of Financial Instruments, the Company calculates the fair value of its assets and liabilities which qualify as financial instruments under this statement and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of cash and accounts payable approximate their carrying amounts due to the short maturity of these instruments. The carrying value of notes payable represents the fair value of these financial instruments because their terms are similar to those in the lending market for comparable loans with comparable risks. At March 31, 2021, March 31, 2020, and March 31, 2019 the Company did not have any other financial instruments.

**Note 3. RELATED PARTY TRANSACTIONS**

The Company maintains an account receivable from MARBLELIFE Distributions, Inc. a commonly-owned and affiliated company which handles sales of marble care products. In August 2013, MARBLELIFE Distribution, Inc. began handling the non-franchisee marble care products only. Accounts receivable from MARBLELIFE Distribution, Inc. at March 31, 2021, March 31, 2020, and March 31, 2019 were \$105,875, \$41,620, \$112,761, respectively.

The Company maintains an account receivable from Franchise Sourcing, LLC which was formed in August, 2013 to handle the sales and distribution of marble care products for franchisees only. Accounts receivable from Franchise Sourcing, LLC at March 31, 2021, March 31, 2020, and March 31, 2019 was \$665, \$1,742, and \$884, respectively.

**Note 4. NOTES RECEIVABLE**

The Company has notes receivable from various franchisees for portions of the purchase price of the respective franchises. The notes mature between two and ten years from the date of origination. The interest rates are computed at a rate between 1.17 to 5.5% per annum.

Maturities of notes receivable at March 31, 2021 are as follows:

2022	19,486
2023	16,034
2024	26,911
2025	11,635
2026	-
Remaining	-
	<u>74,066</u>

**MARBLELIFE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**Note 5. INCOME TAXES**

The long-term deferred tax liability of \$0, \$0, and \$0, on March 31, 2021, March 31, 2020 and March 31, 2019, respectively results from tax basis depreciation exceeding book depreciation. This timing difference has reversed in prior periods.

**Note 6. COMMITMENTS AND CONTINGENCIES**

Commitments: In 2010, MARBLELIFE, Inc. took back a franchise after the local franchisee opted not to renew but continued in business which was in violation of the two year non-compete agreement. MARBLELIFE, Inc.'s contract and non-compete agreement were upheld in court, and the franchise was returned to MARBLELIFE, Inc. MARBLELIFE, Inc. operated the business as MARBLELIFE Services, Inc. in absentia while a new owner was recruited and trained. In 2016, the business was sold to a franchise owner. As a part of the agreement to sell, MARBLELIFE, Inc. agreed to pay (not assume) for the existing payroll tax liability. This liability was paid off during the year ended March 31, 2021. The liability is being paid out of the royalty fees from the franchise.

**Note 7. FEDERAL AND STATE INCOME TAXES**

There were no federal or state corporate income taxes owed for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.

**Note 8. ADVERTISING FEE**

The cumulative ad campaign fund balance information that appears in this note is provided by management and is supplemental in nature with respect to this audit report. The advertising fees are assessed by Corporate as a percentage of franchisees reported income as reported by management. The money is used for the corporate advertising campaign to assist the franchisee owners with attaining a better market presence. The past five years advertising revenues and expenses are as follows:

	For Years Ended March 31,				
	2017	2018	2019	2020	2021
Revenues					
Ad fees collected, net of bad debt	\$ 179,813	\$192,143	\$ 220,422	\$ 215,073	\$ 208,557
Expenses					
National advertising investments and management fees	201,248	187,000	212,556	228,886	231,737
Annual total of revenues less expenses	(21,435)	5,143	7,866	(13,813)	(23,179)
Cumulative ad campaign fund balance at fiscal year	\$(39,508)	\$ (34,365)	\$ (26,499)	\$ (40,312)	\$ (63,491)

**MARBLELIFE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

On April 1, 2011 Management changed the method of accounting for the Advertising funds. The funds (revenue) collected from the franchisees and the related advertising expenses are recorded on the balance sheet as a liability. The funds are segregated and maintained separately. The balance for the advertising fund on March 31, 2021, 2020, and 2019 is \$(63,491), \$(40,312), and \$(26,499), respectively, and is included in Accounts Payable for 2021, 2020 and 2019. The Advertising fund is accounted for separately starting on April 1, 2014. The account transactions are included as a part of the audit. The negative balance in the ad fund campaign reflects additional funds contributed by MARBLELIFE Inc. in support of national advertising and tool development over and above the funds provided by 2% ad fund collections during the course of the year.

MARBLELIFE, Inc. seeks to accelerate the development of proprietary tools designed to enhance lead flow and providing refined tools for local franchisees to be able to better gauge and measure their local marketing results. They are already seeing benefit from immediate centralized post-service communications, have implemented a centralized automated review process, and are in development of a system to link marketing leads to sales in order to provide ROI (return on investment) on each advertising investment and salesperson in the field.

**EXHIBIT G**  
**MANUAL TABLE OF CONTENTS**

Total Pages 439

**MARKETING – Total Pages 197**

	<u>Topic</u>	<u>No. of pages</u>
Section I-A	<i>Introduction</i>	1
Section I-B	Franchise Support Center	2
Section I-C	Franchise Relations	2
Section II-A	Management Philosophy	11
Section II-B	Recruiting	19
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Section III-A	Marketing Principles	8
Section III-B	<i>Marketing Planning</i>	18
Section III-C	Generating Inquiries	15
Section IV-A	Sales Systems	1
Section IV-B	Sales Principles	14
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Section V	Customer Relations	1
Section V-A	Customer Service	7
Section V-B	National Accounts	4
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**TECHNICAL OPERATIONS – Total Pages 242**

	<u>Topic</u>	<u>No. of pages</u>
Section I	<i>Introduction and Background</i>	13
Section II	Reading the Marble and Granite	5
Section III	Preparation and Restoration	9
Section IV	Restoration Grinding	8
Section V	Polishing Marble Floors	8
Section VI	Restoration and Maintenance of Granite	5
Section VII	Polishing Granite Floors	2
Section VIII	Restoration/Polishing Walls-Marble	3
Section IX	<i>CounterTop</i>	38
	<i>Engineered Stone</i>	
	<i>Granite</i>	
	<i>Marble</i>	
	<i>Solid Surface</i>	
Section X	Clean up           5	
Section XI	General Maintenance (Marble)	4



Section XII	Marblelife Chemicals	4
Section XIII	Stain Removal	5
Section XIV	InterLok Stone Treatment	8
Section XV	GroutLife	
Appendix A	Machinery and Tools Maintenance	2
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Appendix C	Glossary of Industry Terms	6
Additional Tools		
Quality Assurance		8
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## **Concrete**

<i>Section 1</i>	<i>Introduction</i>	<i>1 page</i>
Section 2	Densifying	13 pages
Section 3	Acid Staining	11 pages
Section 4	Repairs	15 pages
Section 5	Equipment	23 pages
Section 6	Marketing	29 pages
Section 7	Job Costing	5 pages
Section 8	Concrete with EnduraCrete	18 pages



The logo for MARBLELIFE is displayed in a large, stylized font. The word "MARBLELIFE" is written in white, bold, serif capital letters with a slight shadow effect, set against a light blue background. The background is a horizontal bar with a decorative, slightly irregular shape, resembling a stone or tile edge. The entire logo is centered horizontally on the page.

## EXHIBIT H

### GENERAL RELEASE (SAMPLE FORM ONLY)

[Name of Franchisee] (“Franchisee”) and [Name of Owners] (collectively, “Owners”), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the “Franchisee Releasers”), hereby release, discharge and hold harmless Marblelife, Inc. (“Franchisor”), its affiliates, and their respective officers, directors, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the “Franchisor Releasees”) from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated \_\_\_\_\_ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasers now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the “Franchisee Released Claims”).

[If Franchisee is domiciled or has his or her principal place of business in the State of California the following will apply:

#### **WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.**

\_\_\_\_\_ (“Franchisee”) for myself and on behalf of all persons acting by or through me, acknowledge that I am familiar with Section 1542 of the California Civil Code, which reads as follows:

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

With respect to those claims being released, I acknowledge, for myself and on behalf of all persons acting by or through me, which I am releasing unknown claims and waive all rights I have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this paragraph, I shall be considered to be creditors of Marblelife, Inc. and its affiliates.

Franchisee expressly waives any and all rights or claims under Section 1542 of the *California Civil Code*, which states:

*A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him may have materially affected his settlement with the debtor.]*

FRANCHISEE AND OWNERS ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASERS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASERS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT.

The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasee with respect to any Franchisee Released Claim.

Executed as of \_\_\_\_\_.

\_\_\_\_\_

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

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

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

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]



**EXHIBIT I**  
**MARBLELIFE, INC.**

**FRANCHISE DISCLOSURE QUESTIONNAIRE**

As you know, Marblelife, Inc. and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchise Disclosure Questionnaire, Marblelife, Inc. will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

**[PLEASE RESPOND TO EACH QUESTION BELOW WITH YES OR NO]**

1. Have you received and personally reviewed Marblelife, Inc. Franchise Agreement and each Exhibit, Addendum and Schedule attached to it?

\_\_\_\_\_

2. Do you understand all of the information contained in the Franchise Agreement and each Exhibit, Addendum and Schedule attached to it?

\_\_\_\_\_

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?

\_\_\_\_\_

4. Do you understand all of the information contained in the Disclosure Document?

\_\_\_\_\_

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

\_\_\_\_\_

5. Have you discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

\_\_\_\_\_

6. Do you understand that the success or failure of your business will depend in large part upon factors within your control, such as your skills and abilities, labor and supply costs, and lease terms, and upon factors that may be out of your control, such as economic factors, competition from other businesses, interest rates, inflation, and federal, state, and local responses to Force Majeure (as defined in the franchise agreement) events?

\_\_\_\_\_

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues or profits of the Franchised Business that we or our franchisees operate?

\_\_\_\_\_

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

\_\_\_\_\_

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

\_\_\_\_\_

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

\_\_\_\_\_

11. If you have answered “Yes” to any of questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of these questions, please leave the following lines blank.

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

\_\_\_\_\_

13. You understand that your answers are important to us and that we will rely on them.

\_\_\_\_\_

**The following only applies to Maryland residents and/or franchises to be operated in the State of Maryland:**

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

By signing this Franchise Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant:

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

\_\_\_\_\_, Individually

**EXHIBIT J**  
**MARBLELIFE, INC.**  
**STATE SPECIFIC ADDENDA**

**FOR THE STATE OF CALIFORNIA**

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.

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

Item 3 of the disclosure document is supplemented by the following:

Neither the franchisor nor any person identified in Item 2 of the disclosure document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 5 of the disclosure document is supplemented by the following:

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

Item 6 of the disclosure document is supplemented by the following:

Late Fee <sup>1</sup>	\$50 plus interest at the rate of 1.5% of the principal amount overdue per month, or the highest rate allowed by law, whichever is less		Applies to royalty and advertising fees not paid by the due date.
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Note 1. With regard to residents of California and for franchises operated in California, the maximum interest rate in California is 10% annually.

Item 17 of the disclosure document is supplemented by the following:

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

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement contains a covenant not to compete that extends beyond expiration or termination of the agreement. This provision may not be enforceable under California law.

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 provides for mediation and/or arbitration for certain disputes. The mediation and/or arbitration will occur at Dallas, Texas. This provision may not be enforceable under California law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The indemnification provision in the Franchise Agreement may not be fully enforceable as to punitive damages under California law.

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

### **FOR THE STATE OF HAWAII**

1. The “Risk Factors” on the cover page of the disclosure document are amended to add the following:

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

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

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

2. The Hawaii Franchise Investment Law provides rights to Franchisee concerning nonrenewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
3. A requirement for the Franchisee to sign a general release as a condition of renewal and transfer of the franchise; shall exclude claims arising under the Hawaii Franchise Investment Law.
4. Termination of the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
5. Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

## **FOR THE STATE OF ILLINOIS**

Item 5 is supplemented with the following:

Franchisor will defer collection of the initial franchise fee and any other fees, if any, due to Franchisor or its affiliate, until Franchisor has completed our pre-opening obligations under the franchise agreement and Franchisee has commenced operations of the franchised business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

ITEM 12 OF THE DISCLOSURE DOCUMENT SETS FORTH SPECIFIC PERFORMANCE STANDARDS THAT YOU MUST MEET WITHIN THE FIRST YEAR OF SIGNING YOUR FRANCHISE AGREEMENT. IF YOU FAIL TO MEET THESE STANDARDS, YOUR FRANCHISE MAY BE TERMINATED, AND YOU COULD LOSE YOUR INVESTMENT.

“NATIONAL AND REGIONAL ACCOUNTS” EXIST IN THIS FRANCHISE SYSTEM. THE FRANCHISOR HAS THE EXCLUSIVE RIGHT TO NEGOTIATE AND ENTER INTO AGREEMENTS TO PROVIDE SERVICES TO NATIONAL ACCOUNT CUSTOMERS. YOU MAY BE OFFERED THE OPPORTUNITY TO SERVICE A NATIONAL ACCOUNT. IF YOU DECLINE TO DO SO, THE FRANCHISOR, AN AFFILIATE OR ANOTHER FRANCHISEE MAY PROVIDE THE SERVICE WITH NO COMPENSATION PAID TO YOU (EVEN IF THE SERVICE IS PROVIDED WITHIN YOUR TERRITORY).

Item 17 is supplemented by the following:

Section 705/4 of the Illinois Franchise Disclosure Act of 1987 (the “Illinois Franchise Disclosure Act”) provides that any provision in the Franchise Agreement that designates venue outside of Illinois is void with respect to any cause of action that is otherwise enforceable in Illinois; however, the Agreement may provide for arbitration in a forum outside of Illinois.

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.

Illinois law shall apply to and govern the Franchise Agreement.

The conditions under which your franchise can be terminated and your rights on renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

## **FOR THE STATE OF MARYLAND**

Item 17 is supplemented by adding the following language to the end of the “Summary” section of Items 17(c) and 17(l):

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

Item 17 is supplemented by adding the following language to the end of the “Summary” section of Item 17(f) (Termination by franchisor with cause):

A provision in the franchise agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17 is supplemented by adding the following language to the end of the “Summary” section of Item 17(v) (Choice of forum):

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



must be brought within three years after the grant of the franchise.

## **FOR THE STATE OF MINNESOTA**

Item 5 is supplemented with the following:

Based on our audited financial statements and in accordance with the Minnesota Franchise Act, the Minnesota Commissioner of Commerce has imposed a financial assurance requirement as a condition to becoming registered to offer and sell franchises in the state of Minnesota. Therefore, we will defer collection of the initial franchise fee and any other fees, if any, due to us or our affiliate, until we have completed our pre-opening obligations under the franchise agreement and you have commenced operations of the franchised business.

Item 13 of the disclosure document is supplemented by the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs that you incur in the defense of your right to use the Marks, so long as you were using the Marks in the manner that we authorized, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 of the disclosure document is supplemented by the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) a franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

To the extent that any condition, stipulation, or provision contained in the Franchise Agreement (including any choice of law provision) purports to require any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota, to waive compliance with the Minnesota Franchises Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchises Law.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 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 any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(J). A court will determine if a bond is required.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

## **FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR**

**HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging a felony; a violation of franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as disclosed above, neither the franchisor, its affiliate, its predecessor, officers, or general partner have, during the 10-year period immediately before the date of the Franchise 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 U.S. 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 1 year after that officer or general partner of the franchisor held this position in such company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who 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” section of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

## **FOR THE STATE OF VIRGINIA**

Item 5 of the disclosure document is supplemented by the following:

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

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the Franchise Disclosure Document is supplemented by the following:

“Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or

termination stated in the Franchise Agreement do not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

***FOR THE STATE OF WISCONSIN***

Item 17 of the disclosure document is supplemented by the following:

For franchisees subject to the Wisconsin Fair Dealership Law, Ch. 135, Stats., provisions in the Fair Dealership Law supersede any inconsistent provisions of the Franchise Agreement or a related contract.



## EXHIBIT K

### STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Maryland	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT L**  
**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 Marblelife, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York requires us to provide you the disclosure document to you by the earliest of (1) the first personal meeting to discuss our franchise; or (2) ten business days before the signing of a binding agreement; or (3) ten business days before a payment to Marblelife, Inc. or its agent.

If Marblelife, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator listed in Exhibit A.

Issuance Date: January 21, 2022

The name, principal business address, and telephone number of each franchise seller offering this franchise is as follows:

Name	Principal Business Address	Telephone Number
Alan Mayr	2800 W. Airport Blvd., Sanford, Florida 32771	407-302-9297

The issuance date of this disclosure document is January 21, 2022 (or the date reflected on the State Effective Dates Page), which included the following Exhibits:

- |             |   |           |                               |
|-------------|---|-----------|-------------------------------|
| Exhibit A   | List of State Administrators            | Exhibit F | Financial Statements          |
| Exhibit B   | List of Agents for Service of Process   | Exhibit G | Manual Table of Contents      |
| Exhibit C-1 | Marblelife Franchise Agreement          | Exhibit H | General Release (Sample Form) |
| Exhibit C-2 | State Amendments to Franchise Agreement | Exhibit I | Disclosure Questionnaire      |
| Exhibit D   | List of Franchisees                     | Exhibit J | State Specific Addenda        |
| Exhibit E   | List of Former Franchisees              | Exhibit K | State Effective Dates         |
|             |   | Exhibit L | Receipts                      |

Dated \_\_\_\_\_

\_\_\_\_\_ Individually

\_\_\_\_\_ and/or as an officer or Owner of

- \_\_\_\_\_ (a \_\_\_\_\_ corporation)  
\_\_\_\_\_ (a \_\_\_\_\_ partnership)  
\_\_\_\_\_ (a \_\_\_\_\_ limited liability company)  
\_\_\_\_\_ (a \_\_\_\_\_)

Keep this copy for your records.

**EXHIBIT J**  
**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 Marblelife, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York requires us to provide you the disclosure document to you by the earliest of (1) the first personal meeting to discuss our franchise; or (2) ten business days before the signing of a binding agreement; or (3) ten business days before a payment to Marblelife, Inc. or its agent.

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Dated \_\_\_\_\_

\_\_\_\_\_   
 Individually

\_\_\_\_\_   
 and/or as an officer or Owner of

\_\_\_\_\_   
 (a \_\_\_\_\_ corporation)

\_\_\_\_\_   
 (a \_\_\_\_\_ partnership)

\_\_\_\_\_   
 (a \_\_\_\_\_ limited liability company)

\_\_\_\_\_   
 (a \_\_\_\_\_)

Please sign this copy of the receipt, date your signature, and return it by mail to  
Alan Mayr, 2800 W. Airport Blvd., Sanford, Florida 32771, or by fax at (407) 302-9311.